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Administrative and Managerial Matters

For information

Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

Summary Review of Fit for Purpose Organization-Strengthening Initiative

Executive Summary

In 2012, WFP was a global humanitarian organization with a justified reputation for getting the job done in the most difficult operational circumstances. The Fit for Purpose initiative sought to strengthen the organization, building on its core strengths and addressing issues that required attention. It did this through a wide range of targeted investments addressing eight objectives.

While WFP worked on Fit for Purpose, the world did not stand still. Tragically the humanitarian landscape has shifted dramatically over the past four and a half years, resulting in more and longer emergency operations.

What has Fit for Purpose achieved? This review identifies the successes and challenges of this complex organizational strengthening work. Not everything worked as planned and some missteps were taken along the way.

But there is clear evidence that WFP is demonstrably stronger than it was in 2012:

- There is a stronger evidence base for WFP's policies and programmes, and programme implementation has been reinforced by extensive training in core programme skills.
- There is a more robust and professional approach to every aspect of WFP's people management, including an increased focus on training and support for national staff who form the backbone of WFP's operational effectiveness.
- WFP has become a leader in cash-based programming and transfer mechanisms, which are now rooted in new systems and supported by clear guidance and extensive training of staff.
- The Board has approved a road map for WFP's work to achieve the Sustainable Development Goals through country-driven strategic planning, an improved financial framework and more effective results measurement. The Integrated Road Map builds on the extensive piloting and many of the outcomes of Fit for Purpose and arguably would not have been possible without it.

While a huge amount has been achieved, more remains to be done. WFP must continue to evolve, change and improve to meet and surmount each new challenge to achieving zero hunger. Fit for Purpose places WFP in a strong position to do so.

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Summary Report on Fit for Purpose

1. In April 2012, WFP's Executive Director launched a process of reflection through a rapid organizational assessment. This resulted in a series of organizational strengthening activities that became known as "Fit for Purpose".
2. In late 2016, WFP carried out a review of the results of the Fit for Purpose initiative, guided by an internal advisory group and a detailed supplementary review of three WFP investments carried out by an external consultant.¹ This report summarizes the results of Fit for Purpose: the full report with annexes includes the objectives, main activities and outputs of nearly 60 investments and the detailed findings of the external review.²

Background

3. When Fit for Purpose began, WFP was described as "a fundamentally healthy organization doing excellent work".³ However, the consensus was that WFP could do much better: it could and should make the shift from "good" to "great".
4. This review focuses on the eight objectives of Fit for Purpose and the one-off investments – the "core" investments – made between January 2013 and October 2016. These objectives and investments were guided by the four principles presented in the 2012 Framework for Action,⁴ and the five priorities established in June 2013 for making the shift from good to great⁵ (Figure 1). The review also considers actions and investments – the "other" investments – that have strengthened WFP in line with Fit for Purpose goals but that were resourced in other ways.
5. In the period covered by Fit for Purpose, the humanitarian landscape changed dramatically: never before has WFP faced so many contiguous, large-scale emergencies. This has stretched the need for WFP's emergency response capability beyond its initial designed capacity.⁶

¹ The investments were selected to represent low-, medium- and high-value investments made under Fit for Purpose.

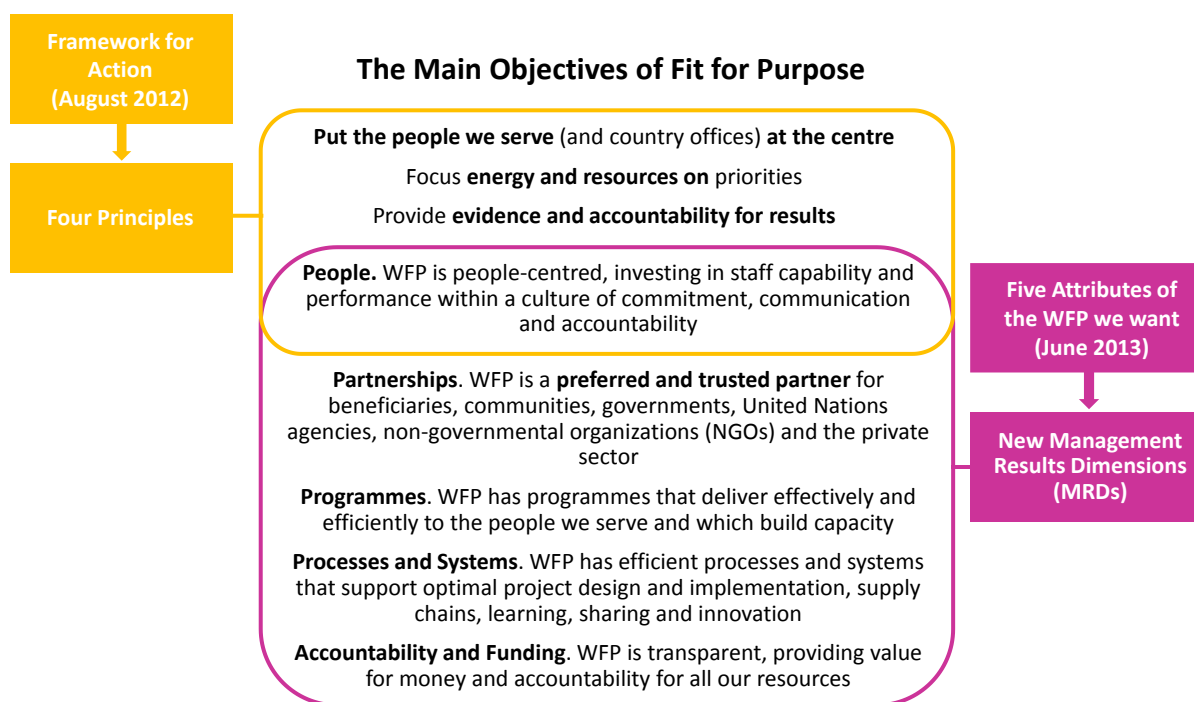
² [Review of Fit for Purpose Organization-Strengthening Initiative](#)

³ 2012 Framework for Action.

⁴ One of these four principles was the need to empower country offices as WFP's "centre of gravity". However, the August 2012 report on organizational design clarified that "beneficiaries are the focus of all our work – this is the central tenet of the organizational redesign", and it is this understanding that drives the principle that country offices are empowered.

⁵ These priorities are included in the five Management Results Dimensions reported in WFP's Annual Performance Report.

⁶ WFP's emergency response capacity at the start of Fit for Purpose was two major emergencies and one rapid-onset emergency.

Figure 1: The main objectives of Fit for Purpose

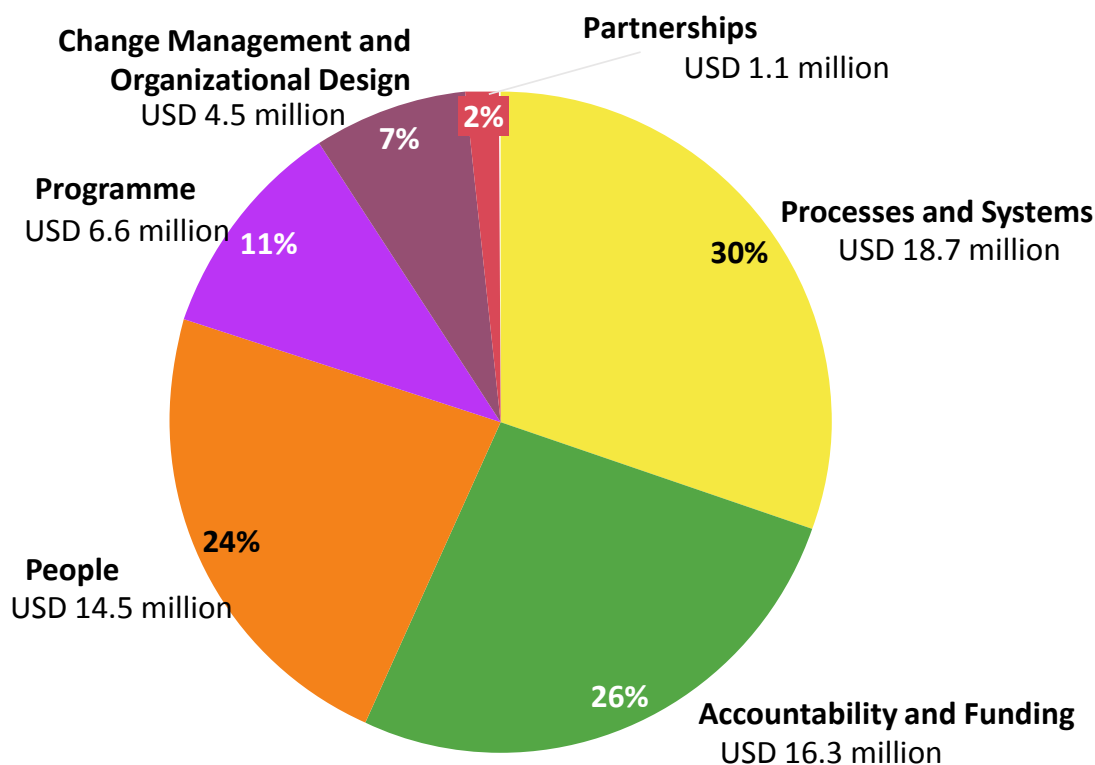
Core Investments in Fit for Purpose

6. Through Fit for Purpose, 58 one-off investments were made:
- Budget allocations totalled USD 72.1 million,⁷ including USD 10.1 million for human resource costs related to restructuring in 2013 (Figure 2).
 - Of these budgeted resources, 80 percent were allocated to three Management Results Dimensions: Processes and Systems (30 percent); Accountability and Funding (26 percent); and People (24 percent). The Programme and Partnerships dimensions received the smallest percentages of Fit for Purpose investments.⁸
 - Seven percent of Fit for Purpose funds were used to manage and support the change process, including changes in organizational design.

⁷ As of 7 December 2016, WFP had spent USD 61.8 million of this allocation. Unspent budgets will be carried forward to 2017.

⁸ This partly reflects the availability of other funding sources, such as trust funds, for programme development.

Figure 2: Investments made through Fit for Purpose, by Management Results Dimension, 2013–2016*



* Excluding USD 10.1 million used for staff restructuring in 2013. Figures are based on budgeted funds allocated to investment owners, some of which will be spent in 2017.

Other Investments in Line with Fit for Purpose Goals

7. One of the criteria for allocating Fit for Purpose funding was whether other funding sources were available, such as donor trust funds or the Capital Budgeting Facility. Many actions for strengthening WFP were not directly funded through Fit for Purpose but were consistent with its goals. Examples include:
 - the Logistics Execution Support System (LESS), which provides WFP with real-time visibility of all its commodities worldwide and along the entire supply chain;
 - upgrading of WFP's emergency preparedness through the Preparedness and Response Enhancement Programme to improve WFP's ability to respond to emergencies; and
 - an increased focus on innovation through establishment of the Innovation and Change Management Division and launch of the Innovation Accelerator.
8. The review considered these broader actions when assessing progress in achieving Fit for Purpose objectives.

Findings

9. Findings are presented for the eight main objectives of Fit for Purpose.

Objective 1: Putting the People We Serve (and Country Offices) at the Centre – Organizational Design

10. One conclusion of the 2012 Framework for Action supported by other evaluations⁹ was that WFP's centre of gravity had shifted from the field towards Headquarters. As a result, delegated decision-making authority and accountability were not sufficiently clear, functions were duplicated and regional bureaux had been weakened. WFP's organizational design needed to be realigned around its strategic priorities to focus efforts on the field and ensure more effective implementation of the Strategic Plan.¹⁰
11. One of the first actions taken, in February 2013, was to establish a new organizational design,¹⁰ which clarified the role of regional bureaux in supporting country offices. Along with further structural changes made in January 2015, this reduced the overlap of functions and responsibilities in Headquarters – for example, through the creation of a single Policy and Programme Division. There is also evidence of more effective collaboration among divisions, including in developing the Integrated Road Map and building stronger systems to support cash-based transfers (CBTs).
12. These structural changes have been critical in reinforcing the role of regional bureaux as the first line of support to country offices. WFP has also shifted more of its discretionary funding to the field: in 2012, 30 percent of Programme Support and Administrative (PSA) budget resources were allocated to regional bureaux and country offices; this increased to 43.5 percent for 2017.
13. Regional and country directors confirmed that the capacity of regional bureaux to support country offices has been strengthened in critical areas, including CBTs, gender, nutrition and donor relations. However, a number of country directors – including those in small offices and middle-income countries – reported that they are not receiving the support they need in all areas.
14. The size and reach of regional bureaux continue to vary, which may have impacts on the support they provide. For example, the Nairobi Regional Bureau supports eight country offices, while the Dakar Regional Bureau supports nineteen. Regions may also prioritize different programme areas for support: a country office in one region may have good support in one programme area – for example, disaster risk reduction – but this may not be true of all regions.
15. Despite clear progress in some areas, more work is needed to refine and adapt the oversight and support that regional bureaux provide to country offices, particularly in newer areas of WFP's work, such as its role in middle-income countries. Internal audits have recently advised management about the need for more detailed terms of reference to clarify the regional bureaux's support role as laid out in the document "Fit for Purpose – WFP's new Organizational Design".

Objective 2: People

16. The 2012 Framework for Action noted that the changing context in which WFP was operating demanded a different set of skills from those that previously sustained its work. At that time, WFP had done little to plan ahead to enlist and develop people with the necessary skills to work in a changing context. WFP's processes for people development were perceived as ineffective, directionless and opaque, particularly with regard to performance management and reassignment.
17. In many areas of its work, WFP must balance the humanitarian imperative for action with the need for fair, equitable and transparent accountable processes to support that action. This tension is often felt in decisions that have impacts on people, where adherence to human resource processes are needed to promote equity and transparency but can have impacts on the effectiveness of the process in terms of getting people in the right place at the right time.

⁹ The full report provides references to 2012 evaluation reports that support the Framework for Action.

¹⁰ WFP/EB.2/2012/5-A/1 and "Fit for Purpose – WFP's New Organizational Design", August 2012.

18. Through Fit for Purpose, WFP has invested heavily in developing and implementing a People Strategy, involving major changes in every aspect of the way WFP manages people. The Secretariat provided a progress report to the Executive Board on implementation of the People Strategy in February 2016:¹¹
- There has been a significant shift of focus to WFP's 3,400 national staff members, who are now managed under the same rules as other staff and receive training through remote learning. Country offices view the upgraded Learning Management System as a useful tool for helping national staff to strengthen their capacities.
 - Thousands of WFP staff have benefited from training in functional areas such as programming and CBTs.
 - Major changes have been made to performance management and promotion arrangements, career development and leadership training. Independent assessments of the management capabilities of staff members are now a prerequisite for advancement to P5-level posts and above.
 - A newly designed women's leadership programme and changes to the recruitment process have improved the gender balance among senior-level staff.¹² However, more work is still needed to achieve the goal of gender parity.
19. The positive findings of the 2015 Global Staff Survey and discussions with regional and country directors and Headquarters staff show that WFP has made clear progress in upgrading and improving its people management processes. Some senior managers referred to this as a drastic improvement in which processes are now formalized and follow clear rules. However, country offices reported that they are still struggling to obtain the expertise they need in a timely manner, particularly when it has to be sourced internationally. This indicates that the reassignment, roster and talent management processes are still not working as they should, resulting in reliance on service-type appointments and consultants, even in large Level 3 operations.
20. The proliferation of humanitarian crises in recent years – often requiring long-term responses – limits the number of trained and experienced staff immediately available. Processes put in place to improve WFP's emergency responsiveness – for example, emergency response rosters of staff with the abilities needed for deployment to emergencies – have quickly become depleted by the immensity of the response needed. WFP has therefore expanded these rosters to include short-term staff, consultants and United Nations Volunteers. It is also using national staff for international emergencies and is planning to introduce an external emergency roster to promote faster deployment.
21. One of the impacts of WFP's increased workload is a significant increase in its contingent workforce: short-term professional staff now make up half of WFP's international professional workforce. Short-term staff members are less expensive to employ than international professional staff and there are obvious benefits in using them for work that may not be needed in future. However, country directors have expressed concerns about the fairness of short-term recruitment and its impact on WFP's competitiveness as an employer: short-term contracts were not perceived as attractive or desirable for staff.
22. WFP is currently exploring four issues related to its use of national staff:
- *Nationalization of functions.* WFP may be overlooking the potential for using national expertise for functions currently carried out by international professionals.
 - *Contract modalities.* There is a need to examine whether sufficient progress has been made in shifting long-serving personnel from service-type appointments to staff appointments.

¹¹ WFP/EB.1/2016/4-E.

¹² Overall, the gender balance improved from 31 to 34 percent across all positions between 2012 and 2016 with the biggest increase noted at the D1 level which improved from 32 to 41 percent.

- *Career mapping.* Additional work may be needed to develop career frameworks that provide appropriate career paths.
 - *Staff wellness.* This comprises the need to create a supportive and healthy workplace for national staff, regardless of contract type.
23. Overall, WFP has made progress in addressing several major issues that have impacts on its management of people, as outlined in the January 2016 report to the Executive Board. The shift of focus to national staff has been widely endorsed by country directors, although there are questions regarding the effectiveness and reach of available tools. Processes for managing staff performance are also more efficient, and there are greater opportunities for career development, learning and growth. WFP has been creative in seeking ways to attract and retain the talent it needs. The challenge for the future is to leverage these improvements to address the significant strain on WFP staff caused by the changing humanitarian landscape.

Objective 3: Partnerships

24. The 2012 Framework for Action noted that while partnerships have become increasingly important for achieving WFP's Strategic Objectives, WFP does not always develop truly collaborative partnerships. For many years, it has relied on its ability to get things done by itself and through contracting implementing partners. However, the food assistance strategy requires more collaborative and strategic partnerships, along with capacity development, especially in the field. A genuine culture of partnership is required, particularly at the operational level.
25. Only a small proportion of Fit for Purpose one-off investments were directed towards partnerships. However, the creation of a new Partnership, Governance and Advocacy Department,¹³ and an increased focus on partnerships as one of five Management Results Dimensions have had a wider impact on the promotion of partnerships throughout WFP. There are many recent examples of strong partnerships for sharing advocacy, knowledge, capabilities and resources.
26. The new Sustainable Development Goals underline the importance of WFP's efforts to build stronger and more effective partnerships. Constraints identified in 2012 – such as the lack of a clear strategy for partnerships, and inadequate guidance and training – have been addressed through courses and learning materials developed by the new Partnership Resource Centre. However, many of the staff interviewed were unaware of this centre and had not accessed the guidance available.
27. Fit for Purpose sought to promote a culture change in relation to partnerships. WFP managers increasingly recognize the benefits of working with other actors towards shared goals. This growing partnership culture is also evident in the way WFP managers work across divisional boundaries. At the country level, the preferences of senior staff in country offices and sub-offices can have a significant impact on the type of partnerships WFP engages in: most partnerships with local non-governmental organizations are transactional. In addition, global partnerships are not always relevant to the field, and innovation at the field level does not always inform global partnerships.
28. There is some concern in WFP that the term “partnership” is in danger of losing its significance by being applied to every interaction between one or more people or entities. In the future, WFP needs to focus on nurturing quality partnerships in which the benefits of working together clearly outweigh the costs. This is a key element of the definition of partnerships in WFP's Corporate Partnership Strategy.

¹³ Known as the Partnerships and Governance Department from February 2013 to December 2014.

Objective 4: Processes and Systems

29. The 2012 Framework for Action reported that many new systems, initiatives and processes had been put in place, but they needed to be reviewed, streamlined and integrated to improve efficiency, effectiveness and accountability. To address these issues, WFP carried out a Business Process Review (BPR) diagnostic in two stages in 2013 and 2014, followed by investments and other actions to address the issues identified.
30. The BPR took a holistic view of the actions needed to improve performance in seven focus areas.¹⁴ Instead of documenting transaction flows to look for improvements, it drew on the experience of hundreds of WFP staff members to pinpoint what needed to be changed. It considered such issues as whether problems were structural, requiring changes in who carried out specific activities, or strategic, requiring better policies or a change of approach. It also looked at whether problems arose because staff did not know what to do or because they lacked skills and training to do it. Prioritized actions included the development of strategies, guidance, training and skills, and addressing bottlenecks in processes.
31. The BPR generated more than 150 suggestions for improvements, which were narrowed down to 57 priorities for action, including four cross-cutting issues. The wide range of proposed changes and the limited resources available meant that it was neither practical nor possible for all of these BPR recommendations to be implemented immediately:
 - As a first step, USD 1.39 million was approved in October 2013 to address 14 “quick wins”. These consisted of three stand-alone recommendations flowing from the BPR and 11 other packages of work that were put forward for implementation by process owners as important components of other longer-term recommendations.
 - In 2014, USD 3.18 million was approved for: i) updating project approval processes; ii) streamlining the procurement of goods and services; iii) strengthening integrated supply chain management; iv) improving business continuity management; v) strengthening systems security management; and vi) supporting project cycle management.
 - In July 2014, USD 1.51 million was allocated to eight additional actions identified as having the highest positive impacts at the field level with the smallest investment.
 - In 2015, a major Fit for Purpose investment of USD 8.9 million was made to develop and implement WFP’s platform for CBTs.
 - Between 2014 and 2016, USD 0.94 million was allocated to review the scope for introducing a service centre and identify potential cost efficiencies in non-payroll-related support costs in WFP. This work was later extended to include process re-engineering.¹⁵

¹⁴ Programme cycle management, resource management and utilization, supply chain management monitoring review and evaluation, administration, human resource operations, and security.

¹⁵ Cost excellence also received USD 3 million outside Fit for Purpose investments in 2016.

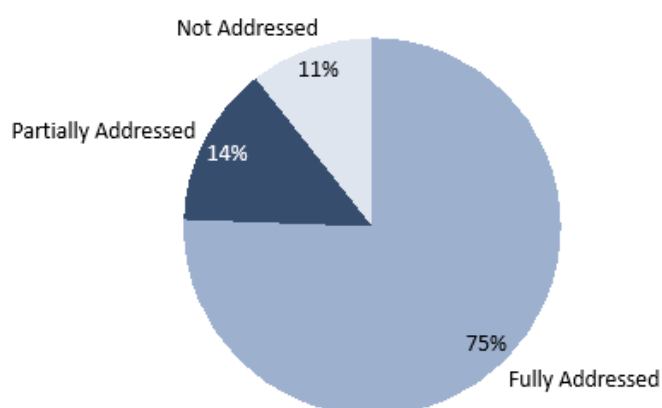
Box 1: Support to cash-based transfers

The increasing use of CBTs provides flexibility and access that are not possible with traditional food assistance, putting beneficiaries at the centre of WFP's work by giving them a voice and preference in selecting their food commodities. Several systems and tools have been developed to improve CBT programming and promote more efficient processes. Actions to support CBTs include:

- capacity development through multidisciplinary training;
- in March 2015, preparation of a CBT manual accessible to the wider humanitarian community to support the development of standards for cash programming;
- enhanced public-private partnerships through common cash-based delivery systems, developed with 15 partners in Jordan, Lebanon and the State of Palestine;
- development of a cash-based monitoring toolkit in April 2016;
- development of a corporate digital beneficiary and transfer-management platform (SCOPE) to provide country offices with tools and services for efficiently and effectively scaling up CBT operations; and
- development of the Omega Value tool to facilitate reflection on the cost of an operation in terms of outputs and outcomes.

32. BPR recommendations influenced the selection of focus areas for 2015 and 2016 to bring Fit for Purpose to a close. Some recommendations were also addressed through other major initiatives such as the Financial Framework Review, integrated supply chain management and development of country strategic plans.
33. Of the 57 recommendations, 30 received Fit for Purpose funding, but 52 – more than 90 percent – were fully or partially addressed. For example:
- all seven recommendations on programme cycle management were funded and addressed;
 - all seven recommendations on WFP's supply chain were addressed – one was funded separately from Fit for Purpose; and
 - all six recommendations on administration were addressed without Fit for Purpose funding, by managers reallocating resources or obtaining other funds.

Figure 3: Actions taken on BPR recommendations



34. The BPR's diagnostic phase generated enthusiasm for change among the staff who took part in the process, but it also created high expectations. Many staff members expressed disappointment at the pace of implementation, and there was a lack of communication on how the BPR recommendations were being addressed. This report constitutes WFP's first inventory of actions resulting from the BPR. It suggests that the BPR was more successful than many staff members believe in identifying the actions needed to improve WFP's business processes and systems.
35. Many of the actions resulting from the BPR are considered under the other Fit for Purpose objectives and reflected in the six focus areas identified in 2015. Major system changes such as LESS were funded from sources other than Fit for Purpose.
36. WFP managers have estimated actual and potential savings of USD 87 million during 2015–2019 from changes in systems and processes resulting from the BPR. However, these savings must be validated as systemic changes implemented over the next three years.

Objective 5: Programmes

37. The 2012 Framework for Action noted that the move from food aid to food assistance necessitated expanding WFP's range of activities. WFP had introduced several new tools to implement this shift, but these tools were not always aligned with identified needs and were not consistently integrated into WFP's operations and processes.
38. The Programme dimension received a relatively small proportion of Fit for Purpose investments because many policy and programmatic changes in this period were supported with extra-budgetary resources.
39. Two major Fit for Purpose investments addressed the need to improve programming knowledge and skills and enhance nutrition capacity:
 - The new Programme Learning Journey reached most senior programme staff in country offices and one third of WFP's country directors. A multi-tiered cadre of WFP staff – including country directors, deputy country directors and staff at P2 and P3 levels – now share a proven and common framework and approach to programme design.
 - The Fit for Purpose investment in nutrition has helped the new Nutrition Division, created in 2015, to ensure that nutrition priorities are reflected in the new country strategic plans. Tools for assessment and situation analysis developed by the Nutrition Division and WFP's partners, such as the Fill the Nutrient Gap¹⁶ and Cost of Diet tools,¹⁷ have been instrumental in informing and guiding country strategies.

¹⁶ WFP's Fill the Nutrient Gap assessment tool analyses data on markets, local dietary practices and malnutrition to identify gaps in and barriers to adequate nutrient intake.

¹⁷ The Cost of Diet tool was developed by Save the Children to assess the cost of a minimally acceptable diet that meets all nutrient needs.

40. Support was also provided for country strategic planning as part of the Integrated Road Map (Box 2).

Box 2: Fit for Purpose paved the way for the Integrated Road Map

One quarter of Fit for Purpose investments – USD 18 million – were used to develop the Integrated Road Map¹⁸ approved by the Board in November 2016. These investments addressed three of the road map’s four pillars: country strategic plans, the Financial Framework Review and the Corporate Results Framework

Support for *country strategic plans* – USD 5 million – helped 18 country offices to facilitate strategic reviews for the new approach; nine offices produced country strategic plans.

Support for the *Financial Framework Review* – USD 5.85 million – funded pilot testing and stakeholder reviews of new methods for resource management in country offices:

- WFP began testing resource-based planning in nine countries in September 2015.
- The macro-advance financing concept was developed in 2015 and country offices prepared requests for piloting the concept in 2016. The Executive Director approved USD 100.7 million in macro-advance financing to five country offices with seven operations. These advances are being repaid.
- WFP completed a review of its budget structure; the resulting country portfolio budget structure was developed in eight country offices, in two phases.

Support for strengthening performance management included developing a new *Corporate Results Framework* – USD 6.5 million.

41. WFP has made significant progress on a wide range of programmatic issues, mostly with extra-budgetary support. It has prepared a series of strong policy documents and developed more effective guidance materials. Feedback from country directors indicates the need for clear and predictable guidance on implementing the new Strategic Plan (2017–2021) in country offices, particularly regarding Strategic Result 3 on smallholder productivity and income and Strategic Result 4 on sustainable food systems.

Objective 6: Accountability and Funding

42. The 2012 Framework for Action noted the changing nature of WFP’s funding environment, with increased competition for resources and donors underscoring the importance of nationally implemented programmes.
43. The main focus of Fit for Purpose investments in the Accountability and Funding dimension was to provide support for the Financial Framework Review and address objectives 7 and 8, to focus energy and resources on priorities and provide evidence and accountability for results. Fit for Purpose also helped WFP to improve the transparency of its financial reporting through membership of the International Aid Transparency Initiative.
44. The current financial framework is demonstrably not fit for purpose; its focus on inputs and its lack of links between resources used and results achieved constrain decision-making authority in field offices and hamper accountability for results. In its current form, the financial framework would be unable to support implementation of the country strategic planning framework. The Financial Framework Review (Box 2) seeks to maximize operational effectiveness through realistic financial planning, enhanced accountability, streamlined processes and harmonized financial and results frameworks.
45. In 2012, WFP was already an acknowledged leader among United Nations agencies in the stewardship of resources. For example, no new investments were needed to implement International Public Sector Accounting Standards, which were put in place in 2008. WFP has built on its reputation for stewardship by upgrading its internal control standards and processes in 2015, and fully implementing the risk-management practices adopted in 2011. WFP has also established a new Evaluation Policy and charter to embed evaluation into the heart of its culture of accountability and learning.

¹⁸ The Integrated Road Map aligns WFP’s strategy, programme structure, financial management and planning, monitoring and reporting mechanisms with the 2030 Agenda for Sustainable Development.

46. Regarding value for money, it is expected that savings of USD 122.3 million will be generated from Fit for Purpose between 2013 and 2019, the majority – USD 87 million – from changes resulting from the BPR. This is 69 percent more than the budget cost of one-off investments through Fit for Purpose. Some future savings will depend on additional work over the next two years.

Objective 7: Focusing Energy and Resources on Priorities

47. The 2012 Framework for Action underlined that WFP should focus its resources on priorities. WFP has addressed this recommendation in two ways:
- It ensured that all Fit for Purpose investments were directed to the seven themes identified in the Framework for Action and the additional six focus areas approved by the Board in May 2015 to bring the initiative to a conclusion.
 - It established a new Management Results Framework in June 2013 based on five priorities, and put in place better performance-informed budgeting processes to ensure that decisions on the use of all WFP's discretionary resources were addressing these priority areas.
48. The arrangements for managing change adopted for Fit for Purpose ensured that one-off investments were directed to priority areas.
49. Fit for Purpose and broader actions in line with its goals have also had a significant impact on ensuring that WFP focuses its energy and resources on priorities:
- Changes to the structure and scope of WFP's management plan have led to development of a new implementation plan – the prioritized plan of work – based on anticipated funding and recognizing the needs-driven nature of WFP's work.
 - WFP has continued to focus on innovative ways of planning and financing its activities to provide clearer links between strategic investments and results, including through a new capital budgeting facility.
50. WFP is not always successful in giving up old ways of working, and a wider shift in culture is required. For example, some country offices continue to use their own systems, even when new corporate platforms are available.
51. The greater focus on priorities aligned with WFP's new approach of "living within its means" has led to the transfer of USD 100 million in PSA resources over the past two years to support operations.¹⁹ This is equivalent to an additional 290 million daily food rations for people in need of food assistance.

Objective 8: Providing Evidence of and Accountability for Results

52. A core principle of the 2012 Framework for Action was the need for WFP to provide evidence of and accountability for results.
53. WFP has made progress in improving the evidence base for decision-making on how to address beneficiaries' needs, but more work is needed to improve the quality and usefulness of results measurement, particularly of outcomes.
54. An increased focus on monitoring has been essential in addressing concerns raised by several evaluations of WFP's projects. However, the results of the Synthesis Report of 2015–2016 Operation Evaluations indicate a continued need for enhanced monitoring and analysis, especially to underpin valuable contributions to Sustainable Development Goals and Zero Hunger Challenge targets.

¹⁹ This amount has two elements: i) an allocation of USD 65 million from the PSA Equalization Account to the Immediate Response Account – the Board approved a USD 50 million transfer in May 2015 (WFP/EB.A/2015/6-D/1) and a further USD 15 million transfer for 2017 in November 2016 (WFP/EB.2/2015/5-A/1/Rev.1); and ii) use of the PSA budget in 2017 to fund country-level costs of operations, such as security and communication costs, incurred for centralized services – this has the direct impact of reducing direct support costs for all operational projects by USD 35.1 million in 2017 (WFP/EB.2/2016/5-A/1/Rev.2).

Box 3: Unanticipated results of Fit for Purpose

Some investments did not work out as planned. For example, the new Performance and Risk Organizational Management Information System (PROMIS), which used off-the-shelf software, proved to be too costly to adapt when WFP adopted a new results framework.

Some results were different from expected. WFP's work on cost excellence concluded that a common service centre was not a viable option, but that savings could be achieved through process re-engineering. The Cost Excellence Initiative realized USD 3.8 million in savings in 2016, with the promise of additional savings from 2017 onwards.

Reflections on the Approach to Fit for Purpose

55. From the outset, WFP decided to manage Fit for Purpose through existing management channels. Rather than creating a separate project team to drive forward change, management focused on the approval of a range of investments aligned with a set of overarching priorities. In the early stages, support for change management was provided to the Chief of Staff. Subsequently, in 2014, a small change team was established under the Deputy Executive Director, which moved to the Innovation and Change Management Division in 2015. However, this did not operate as a project management team with direct powers to intervene on the actions being taken by other WFP managers.
56. The review found that there would have been some benefit in establishing an overall project team: this would have required senior managers to be more explicit about the overall results expected from Fit for Purpose²⁰ and there would have been more direct control over the funding used. However, the creation of a project team would have diluted line managers' responsibility for achieving the goals of Fit for Purpose, and actions would have been more directly influenced by the resources available, particularly in addressing issues raised by the BPR. Many WFP managers used their own PSA resources to implement policy and process changes recommended in the BPR. The incentive for doing this would not have existed if all actions had been centrally funded and controlled.
57. The review noted the following benefits of Fit for Purpose:
- In many respects, the approach to Fit for Purpose matched WFP's way of working: it provided managers with clear incentives and resources to act, and promoted a multifaceted approach in which activities were undertaken in parallel.
 - The shift to six focus areas in May 2015 helped to target action in the critical areas needed to bring Fit for Purpose to a conclusion, and provided direct support for development of the Integrated Road Map.
58. The review also identified areas where Fit for Purpose actions could have been managed better:
- *Internal communications.* The Secretariat provided the Board with extensive reports on Fit for Purpose actions through annual management plans and Annual Performance Reports.²¹ However, WFP staff were not always aware of the wide range of actions rooted in Fit for Purpose that were carried out over the past four years. Internal communications at the start of the process were not followed by detailed progress reports, leaving some staff with the impression that the Fit for Purpose initiative had somehow petered out.
 - *Reporting on the results of investments.* Under Fit for Purpose, WFP improved the way its investments are justified and presented for approval from the Strategic Resource Allocation Committee; later Fit for Purpose investment cases contain significantly more information about the purpose and intended results of the investment. However, there is still no standard process for reporting to senior management on the results and impacts of individual investments, as distinct from the annual performance and accountability process

²⁰ Many of the initial Fit for Purpose proposals lacked detailed plans, including milestones. This issue was addressed through a small investment in developing a common approach to the preparation of all WFP's investment cases from 2015.

²¹ Fit for Purpose initiatives have been subject to a higher level of transparency and external reporting than past initiatives. Extensive reporting on Fit for Purpose in Annual Performance Reports included detailed reports on each initiative in 2013 and 2015.

for all staff and the process for preparing the Annual Performance Report. This issue was also raised in the external review.

- *Scaling back of other work.* Fit for Purpose generated many new priorities for action, including through the BPR recommendations. However, insufficient attention was devoted at all levels to scaling back other work to make space for Fit for Purpose implementation, and some smaller country offices have been overwhelmed by change initiatives.
- *Sequencing.* Some WFP staff members have questioned the sequencing of actions in Fit for Purpose. For example, staff reported that important actions for developing systems for CBTs and automating critical transaction processes could have been initiated sooner.

59. Senior management is examining how these issues can be addressed in future.

Fit for Purpose – Key Statistics

- The costs of 58 budgeted investments and staff restructuring totalled USD 72.1 million.
- Economy and efficiency savings were estimated to be USD 122.3 million, including USD 87 million flowing from the BPR.
- Of the 57 recommendations from the BPR, 90 percent were fully or partially addressed – 40 percent without direct Fit for Purpose funding.
- Nine country strategic plans were developed and 18 strategic reviews were undertaken.
- WFP was ranked number 1 of 450 organizations assessed by the transparency indicator of the International Aid Transparency Initiative.
- COMET design and implementation modules were developed and rolled out to 80 country offices, with more than 200 users trained directly and an additional 1,000 through training of trainers.
- 3,400 national staff members were transferred to the employment terms of the Food and Agriculture Organization of the United Nations (FAO).
- 543 eligible fixed-term national staff positions were converted to permanent appointments.
- New career frameworks were developed with 30 possible career paths and 593 practical experiences to enable staff to achieve career goals.
- 201 leaders worldwide participated in the Programme Learning Journey.
- 2,250 staff members in all functional areas were trained in CBTs.
- More than 500 leaders – 38 percent of whom were national staff – participated in the Leading for Zero Hunger programme.
- There were 16,573 Learning Management System course completions in the first six months of 2016 – three times more than in 2015 – with national staff accounting for 70 percent of these completions.

Acronyms Used in the Document

BPR	Business Process Review
CBT	cash-based transfer
COMET	WFP's country office tool for managing effectively
FAO	Food and Agriculture Organization of the United Nations
LESS	Logistics Execution Support System
MRD	Management Results Dimension
PROMIS	Performance and Risk Organizational Management Information System
PSA	Programme Support and Administrative (budget)