Technical guide to the 2018 Annual Performance Report

Revised Corporate Results Framework Category I KPIs: methodology, visualisation & guidance to interpretation

Executive summary

The three revised-CRF category I key performance indicators (KPIs) have been devised as high-level strategic measures that allow strategic decision making at CSP or higher level, including WFP corporate level. The three KPIs are composite indicators: that is, it is combination of several components, themselves lower level individual measures which express business process effectiveness, efficiency and economy.

The present guide provides an overview of the purpose, composition and interpretation of the three revised CRF Category I KPIs, including their visualization tools, when applicable. In addition, for each of the three high-level KPIs, this guide includes detailed explanations about the calculation and interpretation of the component indicators, as well as limitations and possible avenues to improve in the future.

The three KPIs are presented in a sequence that goes from the closest to the programmatic results to the most process-oriented KPI:

The first KPI, overall progress in country strategic plan implementation, is composed of four indicators that measure the level of implementation compared to the planned, which depends on resources available to the country offices and the quality of the results achieved with the implemented activities.

The second KPI, effective emergency preparedness and response, measures the extent to which WFP complies with its own standards on emergency preparedness and response. It does not measure the results of emergency response, but rather how WFP processes enable this emergency response to be effective and, to the extent possible, efficient. This technical guide provides details on the components of this KPI and how are they measured.

The third KPI, overall compliance with management standards, is a complex composite based on 17 components grouped in functional areas which describe how WFPs manage their available resources to implement CSPs, as well as the corporate support provided to these areas. This technical guide contains details on each of the composites, including interpretation, targets and relations with other indicators, as well as an explanation of the visualisation of this KPI, for ease of interpretation.

KPI 1 Overall progress in country strategic plan implementation

Description

This KPI measures the *actual progress* compared to the *planned* in the CSP, by comparing: 1) the proportion of outcome and output indicators for which corresponding activities have been implemented and 2) the proportion of the outcome and output indicators for which the corresponding indicator targets have been achieved. The calculation 1 broadly describes how availability of resources, subsequent prioritization and other context factors affect the level of implementation of an operation, and the calculation 2 broadly considers the effectiveness of the interventions that are implemented.

Components

The KPI 1 combines four components, two of which are based on outcome indicators and two of which are based on output indicators. The data for the calculations are extracted from COMET and WINGS.

- *% of outcomes which have implementation*: this indicator compares the number of outcome indicators which have implementation with the total number of outcome indicators in a CSP log frame[1]. For an outcome indicator to have implementation, it needs to fulfil two conditions: a) that there are expenditures attributed to the strategic outcome in which the indicator is attributed to in the log frame, and b) there is at least one monitoring value for the indicator[2].

- *% outputs which have implementation*: this indicator consists of a similar comparison as the precedent component and goes one level more detailed in the log frame, looking into output indicators and CSP Activities. As such, it compares output indicators with implementation to the total output indicators in the CSP log frame[3]. Output indicators with implementation are those output indicators which fulfil two conditions: a) are attributed to CSP Activities which have at least some expenditure, and b) which have planning and actual figures.

- *% of outcome indicators which are on track or achieve targets*: this indicator compares the number of indicators either on track or which achieve their targets with the total number of outcome indicators which have monitoring values. An outcome indicator is considered *achieved* if its actual value reaches at least 80% of the established annual target for that indicator, and it is considered *on track* if its actual value reaches over 70% of its annual target. An outcome indicator is considered as having monitoring values when there is a baseline and at least an actual value[4].

- *% of output indicators which are on track or achieve targets*: this indicator compares the number of output indicators which are on track or achieve their targets, with the total number of output indicators which have monitoring values. An output indicator is considered achieved when its actual figure is over 90 % of the annual target or planning figure, while it is considered on track when its actual figure reaches

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[1] This can of course, be aggregated for a group of CSPs in a region, for all the existing CSPs, and disaggregated by Strategic Outcome level within a particular CSP.

2 The two conditions reflect the reality of operations: implementation of an strategic outcome that could eventually lead to results will imply expenditure of, at least, some funds directly attributable to the activity/ies that contribute to that strategic outcome in the CSP log frame; and b) the implementing country office expects that its intervention, even if only partial, will produce some results, and therefore starts monitoring and carries out at least a partial data collection.

[3] As with the precedent component, the measure can be aggregated upwards, by strategic outcome, CSP, and any group of CSPs, but cannot be further disaggregated, because the lowest level of budget planning and result attribution is CSP Activity.

[4] The general condition is that the outcome indicator must have two valid values that can be compared in the reporting period. As outcomes might be achieved in longer periods than one year, there is flexibility in the use of baselines, and annual milestones *in lieu* of annual targets.

at least 80% of its target or planning figure. An output indicator is considered to have monitoring values when it has a planning and an actual figure.

Aggregation

Each of the components is calculated first evaluating each line of data, that is, evaluating each outcome and output indicator, for the conditions described above. After that, each line can be aggregated as needed - by strategic outcome, by CSP, by region or at global WFP level[5].

Limitation: as of first quarter 2019, data available for this indicator are limited by the short duration of implementation of most CSPs. While over 60 countries have sound data in 2018, only twelve CSPs have more than one year of implementation. As implementation of CSPs progresses, increased data availability will unlock this indicator's potential.

Interpretation

A visualisation has been designed, to support the interpretation of this KPI;

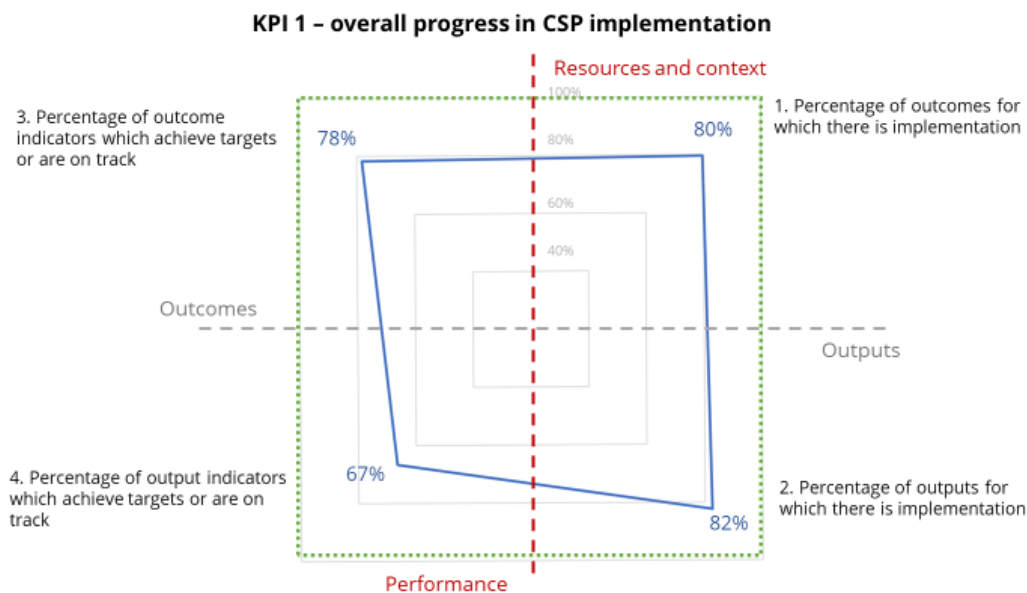**KPI 1 – overall progress in CSP implementation**

Figure 1 KPI 1: Overall achievement of Country Strategic Plans, mock up data

The visualization is divided in four quadrants, created by the red and grey dotted lines in the figure; each of the quadrants plots one of the four components described above, and the four data points are linked by a solid blue line in the figure. The upper and bottom right quadrants (marked with 1 and 2 in the figure) reflect the impact of availability of resources, as well as operational context in the overall CSP implementation of the CSP, or the "resources and context story". The upper and bottom left quadrants (marked with 3 and 4 in the figure) reflect to what extent the available resources are achieving expected CSP results or not, or the "performance story". The quadrants 1 and 3 contain the outcome indicators components, while the quadrants 2 and 4 contain the output indicator components.

The maximum measure of each component is determined by the outer square in the plot (marked in dotted green in the figure). This maximum would be reached in the unlikely situation where a CSP

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[5] As previously described, the components related to outcome indicators cannot be disaggregated at activity level. Analysis by outcome categories (i.e. by focus area or outcome category) is however possible.

received all resources as per its needs-based-plan, there were no operational constraints of any kind, and all the indicators of its log frame were all achieving their targets. As such, the distance from each corner of the plotted square (in solid blue in the figure) to the maximum measure of the indicator reflects the impact of the lack of resources and operational constraints on the overall level of implementation and effectiveness in the achievement of results for that level of implementation. The two sides of the visualisation are closely linked and should be read together; however, they are independent: e.g. an underfunded CSP might be implementing a limited amount of activities (which would result in low percentages in the quadrants 1 and 2), although it might be excelling in terms of the effectiveness of these activities (thereby achieving high percentages in the quadrants 3 and 4).

Note that the two inferior quadrants (2 and 4) which plot the outputs might, in normal circumstances, achieve higher percentages than the upper quadrants. This is due to the log frame construction: multiple outputs can contribute to the achievement of a single outcome, which at the same time is also influenced by partners' interventions. As such this visualisation will often have a trapezoidal shape.

KPI 2 Effective emergency preparedness and response

Description:

This KPI measures how well the processes and procedures to prepare for and respond to emergencies are implemented in the different WFP levels. It does not address the impact of the response (which could be measured with a subset of figures of the KPI 1), but rather focuses on the activities that enable this response.

Components:

This indicator is a composite of five lower–level indicators. One of them is measured at country office level, and then aggregated for the entire WFP, and the other four components and measured only at corporate level. The components are also divided in two different areas of work: preparedness and response:

Preparedness components:

• *% of country offices which have updated or implemented at least 80% of the Minimum Preparedness Actions.* This indicator calculates how many of the active WFP country offices have successfully rolled out and updated the set of applicable preparedness actions described in the WFP Emergency Preparedness and Response Package (EPRP), and hence are deemed to have done all corporately required to adequately respond in the event of an emergency.

This indicator is built upon an indicator measured at country office level: *% of updated or implemented Minimum Preparedness Actions*, which calculates how many of the applicable actions have been updated or implemented during a certain period. The Minimum Preparedness Actions are described by functional area and thus are the responsibility of the different units in a country office. Depending on the context and risk analysis of each operation, some minimum preparedness actions are not applicable to some country offices. The target for all country offices is that at least 80% of the applicable Minimum Preparedness Actions be updated (in the case of documents) or implemented (in the case of procedures, or practices) at least once a year.

• *Number of training events in emergency response according to FASTER standard:* The FASTER training events consist of multidisciplinary trainings including simulations that aim at strengthening WFP's emergency response capacities in all functional areas, as well as improve the standard procedures for these areas based on the results of the simulation and the participants' experiences. The FASTER approach, which often also includes participants from WFP partners, UN and NGOs, was decentralized

in 2017, and it is expected that at least one of such events will take place per region on an annual basis, with the aim of creating a critical mass of staff that have been trained in all functional areas, so that they can be swiftly deployed when emergencies take place.

- *Average number of days between IR-PREP request and budget code creation:* The IR-PREP is one of the advance funding modalities mechanisms available for country offices within WFP. The purpose is to enable the country office to carry out assessments and other dire preparatory work when the threat of a slow onset emergency is imminent, and the country office does not have available resources to prepare (e.g. in a geographical area outside of WFP operations, on a neighbouring country which is under monitoring, etc). The procedure to request funds is launched by the country office, supported by the regional bureau and processed and ultimately approved in headquarters, which makes the funds available for the country office.

Response components:

- *Average number of hours between L2/L3 declaration and Operational Task Force*: Once an emergency has been declared, the operational task force discusses and agrees on how to address the initial needs of the operation, being the first forum in which the L3/L2 line of command is officially used. The standard number of hours in which the first meeting should take place after the declaration is established in WFP Emergency activation and deactivation protocols.

- *Average number of days between L2/L3 declaration and completion of Concept of Operations:* contemporary with the declaration of emergency, the country office, or the regional bureau, in case of no operational presence or of regional response), formulates the broad strategic lines of response, which are the basis for the first operational task force meeting, and for the surge capacity response from headquarters and regional bureau. The standard time in which the concept of operations should be shared after the declaration is established in WFP Emergency declaration protocols.

Aggregation

This indicator does not imply any aggregation of data beyond the aggregation described for the first indicator above (i.e. calculation of each country office indicator and then calculation of how many country offices reach the target). The KPI 2 is as such presented as the number of the five identified standards that reach targets in a given moment of time.

Limitation: the data of some of the components of this KPI depend on the number of new emergencies declared during the year, which is typically limited. As such, each of the declaration processes can have a big impact in the overall value of the KPI.

Interpretation

This indicator does not have any specific visualization. For the purpose of data presentation, a simple graph is displayed to show the average percentage of implementation of Minimum Preparedness Actions, as displayed in the figure below:
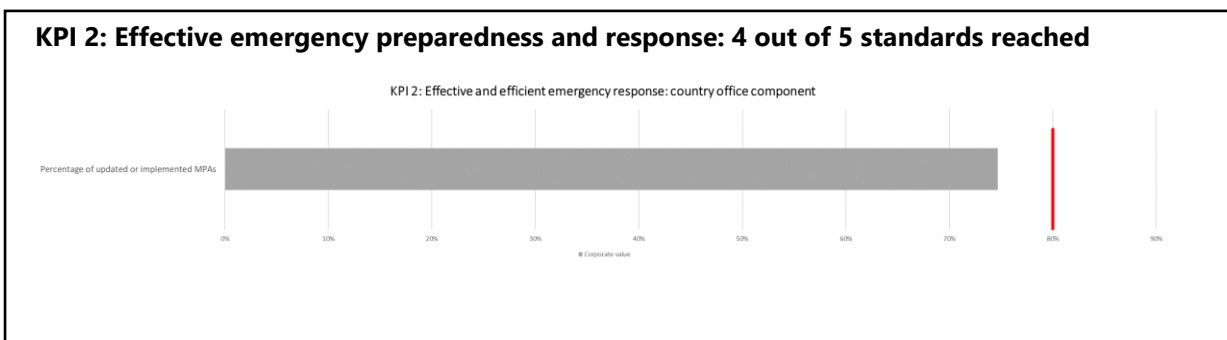

Figure 2 KPI 2: Effective and efficient emergency preparedness and response

The value of the indicator will be accompanied by a narrative detailing which of the standards have been met or not, as well as the reasons behind performance. The values of this indicator, particularly of the response standards, are influenced by the number of declared emergencies during the year or reporting period.

KPI 3 Overall achievement of management performance standards

Introduction

This Key Performance Indicator measures the overall performance of the functional areas in all country offices, by comparing the performance of the office against different corporate standards, which are specific for each area of work. These areas of work, or functional areas, are the different units in the country office, which work with each other to implement the CSP activities and achieve the programme results. The ten standard functional areas (management, programme, supply chain, budget and programming, human resources, administration, finance, information technology, security and resource mobilisation, communications and reporting) are defined as bundles of processes that are linked by the expertise required to perform them. For each of these functional areas, one or two critical indicators, which measure the performance of its most representative processes, have been selected and included as components in the KPI 3.

Components

The components are grouped in the ten standard functional areas[6]:

MANAGEMENT

• *Gender representation:* measures the number of female employees compared to the total for a particular office. With the WFP commitment to reach parity and make concrete progress from now to 2021, a specific contextualised target for 2021 has been developed for each office, together with annual milestones related to that country specific target.

• *Number of outstanding audit recommendations*: measures the overall number of outstanding recommendations under the responsibility of each office, regardless of agreed implementation date and of risk level. It is foreseen that other types of recommendations, such as external audit and oversight, will be included in the future.

PROGRAMME

• *% of implemented evaluation recommendations*: measures, of the total evaluation recommendations formulated for an office, how many have been completely addressed or closed. It belongs to the Programme area, as most of the evaluation recommendations refer to programme design or necessary adjustments to its implementation.

• *% of outputs achieved within partnerships[7]*: measures the total number of outputs that reach their planned targets, of those which are implemented only through partnership agreements, and not by WFP direct implementation, indirectly measuring the quality of implementation (in terms of signature

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[6] Which are described as part of the management performance approach in the revised CRF.

[7] Understood as signed agreements (Memorandums or Letters of Understanding, Field Level agreements and assimilated documents) between a WFP office and NGOs, government institutions and, in occasion other UN agencies, by which activities are implemented and in which specific output planning figures are set.

of the agreement, availability of funds, food, etc and capacity strengthening for implementation, as needed).

SUPPLY CHAIN

- *% of post-delivery losse*s: measures all food losses from the moment in which the food is delivered to a country office, to the moment in which this food is delivered for distribution (to a partner in charge of arranging the transport or delivery to a final distribution point such as a school or health centre). As such, this indicator reflects a large variety of supply chain processes, including procurement, warehouse and transport management and inventory management.

- *% of tonnage uplifted by the agreed date*: measures the proportion of food deliveries that are dispatched from WFP warehouses according to plan. This proportion reflects a number of logistics processes, specifically warehouse and transport management, and reflects how accurately supply chain delivers on the programmatic distribution plans, which has a direct impact on the achievement of outputs and outcomes (e.g. has a direct impact on the regularity of distributions).

BUDGET AND PROGRAMMING

- *% of all CSP expenditure against implementation plan*: measures the total expenditures against the latest available version of the implementation plan budget (which is the needs-based budget adjusted by the funding forecast). This is considered a proxy of good budgetary management, because it reflects how aligned the actual expenditures are to the expected available resources, at what rate the funds are being consumed compared to the annual plan, and if the country office is carrying out revisions of the budget as needed.

HUMAN RESOURCES

- *Performance and competency enhancement (PACE) compliance rate*: the PACE is WFP's corporate tool for individual performance management, and its completion is used as a proxy for clarity of reporting lines and workloads within the office, health of staff relations and management practices as well as potential use of staff evaluations for other HR processes such as reassignment and promotion.

- *% of staff who have completed all mandatory training*: measures the proportion of employees who have completed all mandatory training courses in a given period of time, compared to the total number of employees. The mandatory trainings, which can change during a year, respond to surging needs and priorities set by WFP senior management. As such the indicator is a proxy for a minimum knowledge across the organisation in identified relevant topics.

ADMINISTRATION

- *% of internal controls in place and implemented in administration*: measures the extent to which compulsory policies and good practices on asset management, facilities, environment, travel, accommodation, and light vehicle management are followed in each office. This indicator is compiled through a detailed survey.

- *% of WFP fixed assets physically counted and verified*: compares the number and value of WFP assets which have been verified with a physical count to those in the tracking system, directly measuring loss of assets and as a proxy, general status of a country office assets.

FINANCE

- *% of enhanced risk items in the financial dashboard:* measures, of the overall number of items (payments and transfers) that are carried out by an office during a certain period, which ones might represent a financial risk because of the length of time during which they remain open in the system, as

well other parameters that are deemed to create inefficiencies and financial risks for the country office and WFP.

INFORMATION TECHNOLOGY

- *% of compliance with information technology security standards*: measures the number of workstations and servers that are updated to the latest available update of software as a proportion of the total number of workstations and servers in a country office. This indicator is a proxy for a number of processes in the functional area, from management of the inventory – as old hardware will not be always to be updated – minimum training and awareness of the staff, connectivity, etc, leading to the overall security of the IT structure of WFP offices.

SECURITY

- *% compliance with Field Security Accountability Framework standards*: reflects how any country office complies with a series of minimum security compulsory requirements which cover awareness of the staff, liaison with national and UN security structures and implementation of specific security measures depending on the country office context.

RESOURCE MOBILIZATION, COMMUNICATIONS AND REPORTING

- *% of needs-based plan funded in country operations*: measures the total contributions directly earmarked to a country office as a proportion of the needs-based plan, as a measure of the local resource mobilisation efforts at country office level.

- *% of change in the share of voice*: measures the variation, from one year compared to the precedent one, of the proportion of times that WFP is mentioned in stories and news in which UN are mentioned in relation to a country. Indirectly reflects the work of the country office, regional bureau and headquarter efforts in communication, and, closely related to the following indicator, supports resource mobilisation and advocacy activities.

- *% of favourable stories*: measures the overall percentage of stories in which WFP appears in a positive manner (based on content of story, reliability of sources and position in media) compared to the total number of stories about WFP. This indicator complements the above to shape WFP branding, supporting resource mobilisation and advocacy activities.

Aggregation

All the components of the KPI 3 are calculated for each country office, extracting information from central systems or carrying out centralized data collection. Each indicator is then assessed for performance (in three classes, green for good performance, amber for medium and red for low performance) based on its own targets and thresholds, which are generally industry standards or are based on historical informaiton. All indicators are then normalised[8] to represent a functional area. When more than one indicator exists to represent a functional area, the different components are given weights of relative importance by the HQ business owner of that functional area.

Interpretation

The individual components of the KPI 3 are strictly process oriented. In order to provide a more strategic and intuitive vision of how they reflect the performance of an office, a visual representation has been designed, and is showed in the figure in the next page.

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[8] That is, each indicator is compared to its own scale and translated into a percentage which is comparable to other similarly calculated percentages.

The figure represents the ten standard functional areas in a decagon. The assessment of each functional is determined by the value of one or more KPIs, as described in the previous section, and these values, normalised to 100%, are represented in each of the axis of the decagon, and linked by a line (solid black in the figure above).

The maximum performance on this composite indicator is determined by the external side of the green area in the decagon. The gap between this line and the actual data point, reflected by the solid back line, represents the areas of improvement of the country office. Medium and low performance are identified in red; the red area also corresponds to risk triggers in certain areas of work.

The performance of the different functional areas is interlinked and can be interpreted together, e.g. the funding situation, reflected in the "donor relations, communications and reporting area" has a clear relation with the areas "budget and programming" and "finance". Support areas, such as administration, security and information technology are also related in many operations, and depending on the context of the operation, performance in programme and supply chain will be interrelated. The graph presents, in a glimpse, where the strengths and the potential pain points are in terms of functional areas.
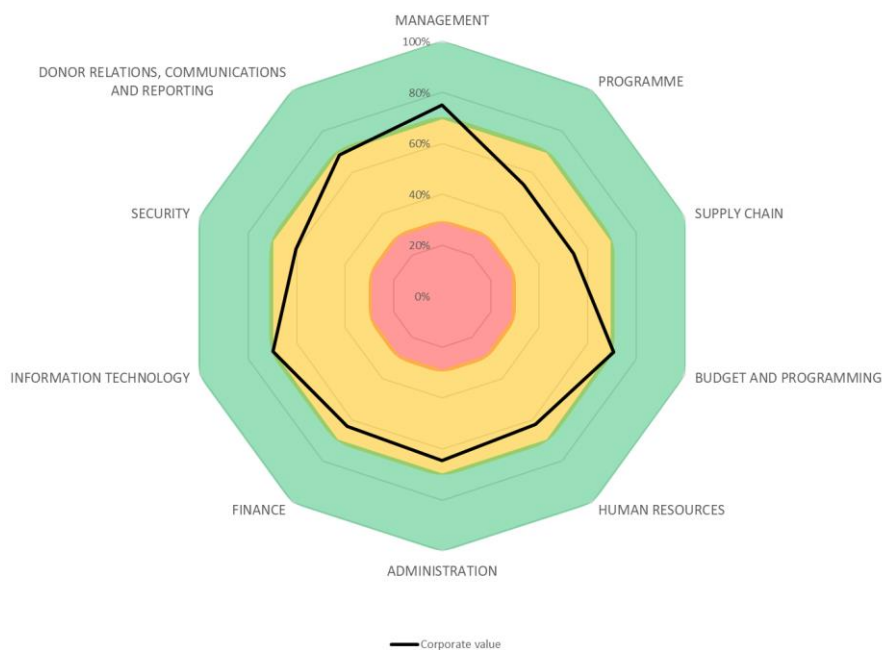

Figure 3 Overall achievement of management standards

In addition to this visualisation, information is gathered on how many country offices meet the targets set for each of the component indicators of the KPI, allowing for strategic corporate reflections and considerations around which standards are not being implemented fully, potential measures to improve compliance, or to revise standards. As these standards and processes are improved over the time, the components of KPI 3 are expected to be occasionally updated, as to better reflect the work and performance under each of the functional areas.

Table 1 Overall achievement of management standards - value table

Key Performance Indicator / Functional area		KPI Target	Corporate value	Number of countries with data	Number of COs achieving the target	% of COs achieving the target (of those measuring)
KPI 3: Overall achievement of management standard						
a.AUD.1	Number of outstanding audit recommendations	Less than previous measurement	68	82 of 82	75	91%
e.TAA.2	Gender representation	Country specific	37%	82 of 82	36	44%
MANAGEMENT			**82%**		**33**	**40%**
b.EVA.5	Percentage of implemented evaluation recommendations	At least 80%	84%	82 of 82	69	84%
b.IMP.6	Percentage of achievement of outputs within partnerships	At least 90%	71%	76 of 82	16	21%
PROGRAMME			**66%**		**0**	**0%**
c.LOG.2	Percentage of post-delivery losses	1%	0.8%	65 of 82	63	97%
c.LOG.16	Percentage of tonnage uplifted as per agreed date	95%	86%	66 of 82	39	59%
SUPPLY CHAIN			**67%**		**0**	**0%**
d.BUM.1	Percentage of CSP expenditures versus implementation plan	90%	75%	82 of 82	24	29%
BUDGET AND PROGRAMMING			**68%**		**24**	**29%**
e.IPM.1	PACE compliance rate	100%	79%	81 of 82	25	31%
e.LEA.5	Mandatory trainings compliance rate	100%	50%	81 of 82	0	0%
HUMAN RESOURCES			**59%**		**0**	**0%**
f.AST.1	Percentage of WFP fixed assets physically counted and verified	100%	98%	82 of 82	67	82%
f.GAM.1	Percentage of internal control that are in place and implemented in Administration	75%	68%	81 of 82	26	32%
ADMINISTRATION			**61%**		**22**	**27%**
g.PAY.1	Percentage of enhanced risk items in the financial dashboard	Less than 7%	4%	82 of 82	73	89%
FINANCE			**88%**		**73**	**89%**
h.ITS.11	Percentage of compliance with IT security standards	100%	93%	81 of 82	14	17%
INFORMATION TECHNOLOGY			**68%**		**14**	**17%**
i.SEC.1	Percentage of compliance with FSAFS	100%	97%	61 of 82	51	84%
SECURITY			**91%**		**51**	**84%**
j.DRS.6	Percentage of needs based plan funded at country operations	100%	47%	80 of 82	12	15%
j.COM.3	Percentage of change of share of voice	Increase over last year	0.8%	71 of 82	27	38%
j.COM.1	Percentage of favourable stories	70%	71%	75 of 82	49	65%
RESOURCE MOBILISATION, COMMUNICATIONS AND REPORTING			**51%**		**12**	**15%**

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