

Background note for the Executive Board: WFP reassurance plan

25 September 2023

I. BACKGROUND

1. WFP's top priority is ensuring that the people who need assistance receive it safely, in full and without interference. The majority of WFP's assistance is delivered in operating environments where the risks of fraud, corruption and diversion are high and exacerbated by political, security and access constraints. In these settings, humanitarian needs are also very high and the urgency of delivering life-saving assistance is an everyday reality.
2. WFP has always put measures in place at each stage of an operation to mitigate the risks of fraud and diversion and to catch and address wrongdoing when it occurs.¹ WFP's oversight offices continuously review operations. The *Annual Report of the Inspector General*² and the *Management review of significant risk and control issues, 2022*³ have highlighted monitoring, identity management (formerly called "beneficiary management"), cooperating partners and supply chain operations (comprising WFP procurement, logistics and commodity management) as current and emerging areas for improvement. Work on these areas was already under way and is now being accelerated.
3. To achieve this, the Deputy Executive Director launched a global assurance project high-level task force in April this year, activating the whole organization in order to put "end-to-end" assurance and internal control measures in place across all high-risk operations. This work includes clarifying accountabilities where necessary, strengthening systems, streamlining processes and making sure that country offices are getting the advice and support that they need.

II. THE GLOBAL ASSURANCE FRAMEWORK

4. The objective of the assurance framework is to ensure that the right people receive the assistance they are eligible for. The framework is made up of a set of global standards that all operations must meet and minimum measures that need to be in place in order to effectively mitigate the majority of risks. It sets the direction for corporate guidance and support and helps country directors know what to focus on.
5. The framework is "end-to-end": the standards and measures apply from the start of assistance (needs assessment) through to the end of every distribution cycle; they also apply to all WFP selection processes and contractual relationships with partners, food suppliers and other vendors.

¹ These include during a corporate scale-up when there is a strategic decision by WFP for which a higher risk appetite threshold is envisaged and provided.

² "[Annual report of the Inspector General](#)" (WFP/EB.A/2023/6-D/1).

³ "[Management review of significant risk and control issues, 2022](#)" (WFP/EB.A/2023/6-E/1).

6. Any global framework for WFP operations needs to be relevant to very challenging operating environments with low or no access, low or no connectivity, active or escalating conflict and where infrastructure may be non-existent or largely destroyed. It needs to apply to immediate life-saving emergencies and to longer-term protracted operations.
7. Although diversions are a major risk in all operations, the risk is much higher in places where operational independence is challenging, so the framework needs to reflect this very sensitive political reality.
8. The standards and measures outlined below are relevant to all WFP general food assistance (in-kind and cash) operations, everywhere in the world. They are indicative and will be refined and issued under an Executive Director's circular. They are presented here for feedback from the Executive Board. They are high-level and cross-functional; division directors in global headquarters will be responsible for establishing any additional function-specific standards and measures that may be needed.
9. **Global assurance standards:**
 - **WFP consults with and listens to the people it assists and respects their privacy.** People's needs and preferences must be prioritized in both the type of assistance that WFP provides and the way it is provided, including factors such as the type of food and how it is packaged. Mechanisms should be in place so people can easily contact WFP if they have a problem or want to report wrongdoing. Issues should be picked up through monitoring and escalated, and management needs to take action on them.
 - **WFP knows who is being assisted, and at the end of every cycle, the organization knows who did not receive their assistance.** WFP should ensure that needs assessments and targeting are credible even when they are carried out by third parties. Arrangements must ensure that the people who were targeted are the same people who receive the assistance each cycle. Within a few days of the end of every cycle WFP must be able to know by person or household who did and who did not receive their assistance, and therefore how much money or food should be left over. This reconciliation should include looking for anomalies and red flags in the data, and then following up on these.
 - **WFP knows that its in-kind assistance is safe and where it is – from origin to the hands of the people it serves.** WFP knows where in-kind assistance is throughout the supply chain and ensures that it is appropriately inspected and meets local food quality standards, that it is stored appropriately and that it is secure at all times.
 - **Maintaining WFP's operational independence.** As a humanitarian agency WFP must establish and maintain a relationship with governments and authorities that enables it to provide humanitarian assistance free from interference, including bureaucratic impediments. The way WFP selects cooperating partners, suppliers, transporters, financial services providers and employees should be based on fair competition and a rigorous due diligence process.
10. **Minimum assurance measures:**
 - a) Establish *segregation of roles and duties* throughout the process and keep user profiles for systems up to date when employees change. With WFP's partners and suppliers, no one entity should control the entire process or even too many adjacent parts as that provides opportunity for misuse. If it is not possible to fully segregate duties, alternative control measures must be designed, approved by the country director, implemented and monitored.

- b) *Target beneficiaries* via evidence-based targeting and maintain a *digitized list in a trusted corporate system* of all beneficiaries at the household level. Verify that the beneficiaries are still present at least once a year and apply the results of verifications in future distribution or transfer cycles.
- c) Wherever possible *distribute directly to the household level*, preferably with individual portions and family entitlements prioritized for delivery to the adult women on behalf of the household.
- d) *Reconcile* distributions/transfers immediately following each cycle, check and flag anomalies and provide a summary report of the results to the country director.
- e) Put *multi-layer and comprehensive monitoring* in place and flag high-risk issues immediately to senior management, both during and after distribution; this monitoring should measure food security and check that procedures are in place and effective.
- f) Follow *competitive selection processes* and conduct performance evaluations for all types of services including transporters, cooperating partners, third-party monitors, financial services providers and retailers. Use the most up-to-date corporate templates and annexes for all contracts and agreements.
- g) *Determine transfer modalities* in accordance with beneficiary preferences, the operating environment and risk levels and implement them in line with WFP's assurance framework.
- h) Ensure *accountability with affected populations is mainstreamed* in all WFP's interventions across the country, enabling safe channels for meaningful two-way communication and upholding minimum standards in addressing communities' feedback and concerns.

III. ACTION PLAN

- 11. The reassurance action plan describes the specific actions that WFP will take so that all high-risk operations meet the global standards and have the minimum measures in place by the end of 2024. The plan is organized into five main workstreams: monitoring and community feedback mechanisms, targeting, identity management, cooperating partner management and supply chain.
- 12. **High-risk operations.** To identify the operations most at risk, an analysis was done that included operational data from the Corporate Alert System, country risk profiles, internal audit reports, monitoring information and other historical data. Thirty-one (31) operations were identified, along with some common challenges: access impediments, the number and capacity of cooperating partners, monitoring challenges, data protection and identity management constraints and systems integration and connectivity issues. As an immediate action, all 31 country offices are reviewing and updating their risk registers, and a fraud risk assessment is being conducted for each country office to help it prioritize the implementation of new measures and controls. As of 12 September 2023, 16 country offices have completed this analysis and the remainder are scheduled to be completed by March 2024.
- 13. **Monitoring.** A set of updated monitoring requirements are being issued to country offices and cover compliance with WFP corporate standards; quality assurance and mitigation of risks and irregularities; the efficiency and effectiveness of programmes; and accountability to affected populations and donors. A segregation of duties (and reporting lines) between monitoring and programme will also be instituted to facilitate more independent information for management to act on.

14. **Community feedback mechanisms (CFMs).** A package of standards, guidelines and tools for effective CFMs have been issued to country offices to provide safe, inclusive and accessible channels for affected communities to express concerns, lodge complaints, ask questions and provide feedback on humanitarian assistance. CFMs also facilitate incident reports of a sensitive nature such as gender-based violence, sexual exploitation or abuse, fraud, corruption, theft, and environmental and social harm.
15. **Targeting.** Guidelines on the frequency and quality of targeting have been clarified and all operations will monitor the effectiveness of targeting by measuring inclusion and exclusion errors and will monitor outcomes on targeted and non-targeted populations to inform programme response.
16. **Identity management (IDM).** As an immediate step, all 31 high risk countries attended a learning lab in Munich where they worked with global experts to develop two-year IDM action plans. Accountabilities for this relatively new functional area are being clarified through an Executive Director's circular. The robust approach to identity management defined in the cash assurance framework is being adapted to in-kind food and will be issued as normative guidance to country offices by the end of the year. A suite of flexible, corporately endorsed technology solutions is now available and will continue to be enhanced including through improved integration with other (non-IDM) corporate systems. A plan for rolling out universal reconciliation (including anomaly detection) to all operations is being developed, with rollout to begin in early 2024.
17. **Cooperating partner management** is being reviewed for greater efficiency, transparency and integrity at each step of the partnership cycle. A digital platform will provide more granular data to improve programmes, accountability and oversight. Clearer guidance will be provided to countries where host government entities are actively involved in implementation.
18. **Supply chains.** The Supply Chain Division is revamping its functional oversight framework. Initial actions include providing the following additional services to country offices: contracting third party companies to undertake physical counts and assessing supply chain networks for optimization or validation. Supply chain assurance also includes installing cameras in warehouses managed by WFP and those controlled by cooperating partners . In addition, a "track and trace" initiative is being launched, which will include a business process review, to optimize existing models and guiding principles. The main objectives are to ensure that all commodities handled by WFP and its partners are tracked and traced across the value chain from origin to distribution.
19. **Digital solutions.** This cross-cutting area aims to help ensure that WFP systems are the most effective, secure and cost-efficient available and that they are integrated seamlessly in ways that facilitate agile decisions on programme adjustments and limit the chance of malfeasance. Developments will be customizable, secure and interoperable and the use of existing systems will continue to be supported to ensure a smooth transition to a new enterprise architecture.
20. **Risk management.** WFP is conducting fraud risk assessments, with particular attention to the prevention and detection of fraud or corruption and the prevention of sexual exploitation and abuse and other prohibited practices across key process areas. Guidance for escalating reports of aid diversion are being clarified.

21. **Resourcing.** WFP has reviewed planned expenditures in the draft WFP management plan for 2024–2026⁴ and prioritized funding for action plan activities utilizing a combination of funding from the programme support and administrative budget, critical corporate initiatives and funding from trust funds or other sources as applicable. Some measures are already budgeted for in country portfolio budgets. To accelerate improvements, WFP may need to revise existing country office budgets. The action plan will be updated as the full implementation costs become visible from country offices.
22. **Updates.** On a quarterly basis, WFP will update the membership on the progress made in implementing the action plan and any new risks that emerge.

IV. COUNTRY OFFICE IMPLEMENTATION PLANS

23. All 31 countries identified as high risk are reviewing their operations to determine which assurance measures may need to be augmented to meet global standards, prioritizing the minimum measures. Each country office will prepare a costed assurance action plan by the end of 2023, which will address gaps and risks as appropriate. Implementation will be incremental and undertaken in phases, based on an approach that prioritizes operational continuity and cost efficiency with due consideration of the highest risks. Country offices will aim to complete the implementation of their action plans by the end of 2024.
24. **Implementation assessment.** WFP will verify the implementation of minimum assurance measures through country office dashboards and the annual Executive Director’s assurance exercise. In cases where one or more measures are not relevant or not feasible to implement, the country office will document the reasons why, assess the level of risk and escalate any severe or critical risks.

⁴ Extracts of the draft WFP management plan for 2024–2026 presented at the second informal Board consultation, 8 September 2023.