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ORGANIZATIONAL CHANGE AT WFP—A STATUS REPORT

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for information to the Executive Board.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

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BACKGROUND

1. Over the past several years, the World Food Programme has been engaged in an aggressive programme of institutional and programmatic reform. This report on progress follows the one presented to the Board in May 1997 (WFP/EB.A/97/5-B). In the first stage of institutional reform:
 - a) WFP developed a Mission Statement (one of the first in the United Nations system), a long-term financing strategy, and a Strategic and Financial Plan to direct programmes and resource expenditures.
 - b) New Directors of Finance, Audit, Evaluation and Human Resources were appointed from outside the organization, and a new audit coverage programme was instituted based on a model for risk assessment for emergency and development projects.
 - c) An Office of Inspection and Investigation was created, with a senior officer from within the organization appointed to carry out this new function initially, and to establish operational practices related to it.
 - d) Collaborative partnerships were developed to eliminate duplicative efforts and better coordinate field operations with WFP's partners, including the United Nations Office of the High Commissioner for Refugees (UNHCR), FAO, United Nations Children's Fund (UNICEF), International Committee of the Red Cross (ICRC), Catholic Relief Services (CRS), and Adventist Development and Relief Agency (ADRA), among others.
 - e) A project aimed at modernizing communications systems was begun, with the objective of linking all field offices both among themselves and with headquarters.
 - f) A comprehensive programme to extend the corporate information system was initiated.
 - g) WFP resources were redirected and targeted to the most food-insecure countries and a phased plan to close 20 WFP country offices by the end of 1997 was adopted.
 - h) A series of commitments to women were made by WFP at the Fourth World Conference on Women, giving a new focus to all WFP activities.
2. In mid-1996, the Executive Director initiated an additional, extraordinary programme of organizational change at the World Food Programme. The starting point for this work was the fact that WFP's mandate is to assist the hungry and poor. The heart of its work is in the field. And that is where more of its senior staff, its capacities and its strategic thinking should be. Accordingly, there would be a phased but fundamental shift of power to the field. During the last half of 1996 several internal "Change Teams" composed of representatives from field offices and headquarters collected staff views and advised senior management on options to bring WFP's structures, staff and procedures into line with current challenges. In February 1997 the Executive Director communicated the guiding agenda for change at WFP in her decision document "Implementing Organizational Change". In May 1997, at the Executive Board's Annual Session, document WFP/EB.A/97/5-B entitled "Reform and Revitalization Measures in the World Food Programme" presented the "key elements" of WFP's organizational change agenda as follows:



- a) more senior and specialized staff to work in the field;
 - b) more authority to be delegated to the field, thus facilitating timely decision-making guided by practical knowledge of the situation;
 - c) regional offices to plan and manage regional operations;
 - d) Regional Managers to provide technical support and managerial guidance to Country Directors;
 - e) Country Directors to broaden their understanding of the food security and food aid situation in their country of assignment;
 - f) WFP, at headquarters and in the field, to be a more active advocate for the hungry poor;
 - g) most WFP staff to be capable of managing both emergency and development situations;
 - h) expanded training to be provided to assist staff members in responding to new organizational needs;
 - i) communication within the organization and with its stakeholders to be improved; and
 - j) procedures and processes to be streamlined.
3. During the remainder of 1997 each manager at WFP was responsible for implementing the series of changes relevant to his/her organizational unit. A consultant was hired to monitor the progress of these organizational changes, as well as report regularly to the Executive Director and Senior Staff regarding problems and progress in implementing the Executive Director's decisions.

ACCOMPLISHMENTS DURING 1997 AND 1998

4. During 1997 and 1998, WFP management and staff made significant progress implementing the organizational change decisions of 24 February 1997.

Operations

5. The main organizational change objectives for the Operations Department were to decentralize decision-making, moving it as close as possible to the field operations, and to simplify, rationalize and speed up decisions related to emergency operations (EMOPs). To accomplish this, a series of operational changes were implemented:

During 1997

- The Executive Director delegated to the Assistant Executive Director authority to approve projects to a value of three million dollars.
- Procedures for one-time approval of EMOPs, by Country Directors for a value up to 200,000 dollars, and for using the Immediate Response Account (IRA) for these operations, were developed.
- A new Programme Review Committee (PRC) was established to review all EMOPs, Protracted Relief Operations (PROs), Country Strategy Outlines (CSOs), and Country Programmes (CPs).



- A two-track review system for EMOP and PRO approvals was developed, and authority was delegated from the Assistant Executive Director to Regional Directors to approve expansions of EMOPs and PROs up to three million dollars.
- Consolidated appeals for EMOPs launched by WFP and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) are being synchronized to simplify the donor/United Nations contribution and reporting processes. Through the Inter-Agency Standing Committee (IASC) sub-working group on the Consolidated Appeals Process (CAP), WFP has increased its support (technical and personnel) to OCHA. The CAP must be seen as not just a resourcing tool but also a programming instrument.
- Regional Bureaux at headquarters were reorganized and downsized to reflect the increased operational authority in WFP field offices and the shift to more normative roles in the Bureaux in Rome.
- Seven regional offices were created and staffed to provide support in programming, finance and human resource management to country offices; implement regional emergency operations; and carry out advocacy for the hungry poor and WFP programmes on a regional level.

During 1998

- Guidelines for the use of the IRA for all EMOPs were issued.
- The PRC is holding at least one session a week, thus meeting the target of a period of five to eight days from the time a proposed EMOP or Protracted Relief and Recovery Operation¹ (PRRO) reaches the PRC to the time the PRC presents its recommendations.
- A System for Programme Approval was implemented, and it is now tracking the status of all EMOP and PRRO submissions through the review and approval process.
- Two additional regional offices were created (Lima, Peru and New Delhi, India) and the Regional Bureaux of two Regions (Middle East and Mediterranean, and Latin America and the Caribbean) were moved to the field (Cairo, Egypt, and Managua, Nicaragua).

Human Resources

6. The main organizational change objectives of the Human Resources Division (HR) were to define and provide new positions to support the decentralization process, to select and fill those positions, to simplify and decentralize human resources management, and to make HR more user-friendly. To achieve these goals, the following actions were taken:

In 1997

- In support of decentralization, generic job profiles were developed for all new field posts, posts were advertised, and most posts were filled.

¹ In May 1998 the Executive Board approved the expansion of the programme category Protracted Relief Operations to encompass recovery activities and, reflecting this change, renamed the programme category.



- New, decentralized human resources management responsibilities were developed which significantly increase the authority of field offices to design their staff profiles, select their personnel and consultants, and collaborate with other WFP offices through staff sharing.
- A HR Help Desk was tested to increase HR response to employee problems and concerns. Moreover, HR began a reorganization process to respond more appropriately and efficiently to the decentralization of WFP staff and human resources management.

In 1998

- HR was reorganized and staff trained to support new delegations of authority; three focal points were established in HR to serve as direct contacts for country offices with regard to personnel issues.
- HR officers were placed in six regional offices, forming a network of HR expertise closer to the field needs, immediately upgrading management of national staff.
- Regular (monthly) communication as a group was established through telephone conference calls.
- HR delegations of authority were prepared and sent to Executive Staff, Regional Managers and Country Directors.
- Training was developed to enable HR field officers to have access to HR operational systems in Rome.
- A WFP employee awards system was established.

Training

7. The main organizational change objectives in training were to support the process of increased delegation of authority to the field with appropriate training of existing staff, and the development of continuous employee orientation and training programmes in support of WFP's core activities. To carry this out HR and the rest of the organization:

In 1997

- Began preparation of a three-year training strategy that includes training for WFP personnel to strengthen staff skills needed for their current jobs; ensure that staff are equipped to work on emergencies and development projects; strengthen staff skills to manage new delegations of authority; provide staff with skills to manage change; prepare staff who have worked primarily at headquarters for field assignments; and change the organization's culture from one of centralization to decentralization.
- Organized Executive Leadership Seminars, including 360-degree performance evaluation, at headquarters and in the field for all senior managers of WFP, to be completed by mid-1998.

In 1998

- Prepared a Career Development Policy and Strategy for consideration of Executive Staff and Staff Unions.
- Continued the series of Executive Leadership Workshops to cover all Senior Staff, and held Senior Staff retreats on organizational change.



- Initiated a comprehensive training programme covering all aspects of staff security for all WFP employees.

Procurement

8. The main organizational change objective of the Management Services Division (MS) was to provide new procedures and authorities in support of increased decentralization of decision-making. To do this, MS:

In 1997

- Began the process of producing a new Non-Food Items Procurement Manual to clarify procurement authorities and reporting systems under a regime of increased procurement authority in the field. This process was assisted by consultants from the Financial Management Improvement Programme (FMIP).

In 1998

- Continued work on the Non-Food Items Procurement Manual.
- Began a thorough review of the procurement processes of WFP, including consideration of increased authorities for field Managers for food and non-food purchases.

Transport and Logistics

9. The main organizational change objective of the Transport and Logistics Division (OT) was to increase and clarify delegations of authority to the field for logistics and transport procurements, consistent with rational, efficient use of donated resources. To accomplish this, OT:

In 1997

- Delegated all internal transport arrangements to country offices.
- Developed and circulated a provisional Transport and Logistics Manual which updated standards and procedures for the procurement of transport logistics and related services for the timely delivery of food aid.
- Held regional workshops to review the provisional manual and train staff in new procedures.

In 1998

- Continued the review process of the provisional manual, culminating in the issuance of the definitive manual in November 1998.
- Completed the development and testing of the FMIP-funded Commodity Monitoring, Processing and Analysis System (COMPAS) and commenced implementation in Djibouti and Ethiopia.
- Provided training on the transport subsystem of the WIS for staff in the Great Lakes region and Nairobi.



Financial Management

10. The main organizational change objectives in financial management were to provide sufficient guidance, support and training for managers to take on increased responsibility for financial management, and to streamline procedures for budgeting, allotting, spending and reporting on financial resources provided to WFP. To accomplish this, the Financial Services Division (FS) had the lead role:

In 1997

- Designed training courses for finance officers, especially those based in the field, in financial management procedures, and initiated a series of workshops aimed at progressively training all relevant field staff.
- Used the increased connectivity between field offices and headquarters to establish systems and train staff to enter financial data (e.g., expenditures, payment vouchers) on a pilot basis directly into the WFP data systems (WIS).
- Developed a new consolidated budget instrument which after testing and review will lead to a comprehensive authorizing document for field operations.
- Continued to work on a new Financial Management System (FMS) that will significantly upgrade WFP's financial management capability beginning in early 2000.
- Began to update the Country Office Accounting Guide and the WFP Finance Manual.
- Devised a system whereby Country Directors can commit and disburse higher levels of funding for non-food items, and other systems to provide authority to the field more quickly and to make payments more efficiently through UNDP.
- Established a system whereby Country Directors would have project expenditure information by Shipping Instruction and object of expenditure, therefore giving them up-to-date information on project-level authority to spend, and the amount spent.

In 1998

- Revised and issued the definitive Country Office Accounting Guide.
- Held additional workshops on financial management for field finance officers and other managers.
- Prepared three additional regional clusters (now totalling four) to process field financial information.
- Contracted for the Integrated Finance, Human Resources, and Procurement Systems.

Communications

11. The main organizational change objectives in the area of communications were to improve the flow of information within the organization and with the outside world; to provide an efficient internal communications system allowing for increased delegations of authority for financial, human resources, procurement and programme management in the field; and to provide employees with clearer normative guidance on how to carry out their jobs. To accomplish these objectives, the following activities were implemented:



In 1997

- Approximately 75 servers were procured and shipped to country and regional offices to provide WFP with connectivity between and among field offices and headquarters. By year end more than 15 had been put in operation. A tie line was also established to the United Nations Department of Peace-keeping Operations (UNDPKO) facility in Brindisi and, through that, to the United Nations telecommunications “backbone” which provides direct communications to United Nations centres throughout the world and to key WFP emergency operations. The first of five dedicated satellite communication systems (VSAT earth station installations) was set up in Kampala. This will greatly reduce costs and increase the reliability of telecommunications.
- Communications Improvement Teams were established in eight key offices to operate and maintain communications systems.
- A Memorandum of Understanding (MOU) was signed with UNICEF to share communications resources and staff, and a strong working relationship was developed with UNDPKO for telecommunications.
- The WFP Newsletter “Pipeline” was reactivated and published on a quarterly basis.
- A plan was devised to create a basic body of WFP Normative Guidance, made up of Master Guidance, Programme Design, Transport and Logistics, Procurement, Financial Management, Human Resources and Administration. The plan includes provision for these manuals to be made available to staff on a continuing basis via the WFP Intranet.
- A working group was formed to prepare the new Programme Design Manual, and the contents of this manual were defined.

In 1998

- 75 out of 81 country, cluster and liaison offices were connected to headquarters and among themselves to enable electronic mail and documents to be passed through the WFP corporate messaging system, Lotus Notes.
- A unified “WFP staff” e-mail directory has been created and is updated on-line continuously throughout the whole organization. Selected countries are able to access portions of the organization’s electronic Bulletin Boards.
- A global telecommunications/information technology support plan was approved by the Executive Director in July. The plan allows for selective establishment of support positions in cluster offices and large stand-alone offices. A Connectivity Field Support Group was created at headquarters.
- HR developed draft master WFP guidance to be included in a formal orientation programme for employees.
- Guidelines were prepared on electronic publishing and dissemination of information.
- WFP’s internal WEB site (Intranet) began operation. This is in addition to WFP’s external WEB site and is designed to make available major classes of information about WFP’s operations to all WFP staff members.
- The Programme Design Manual received increased attention; and significant progress was made towards publication.



Advocacy/Resources Mobilization

12. The main organizational change objectives in advocacy/resource mobilization were to expand WFP's news media campaign to make WFP more widely known and to launch a public awareness campaign on behalf of the hungry poor on related issues. The Resources and External Relations Division (RE)

In 1997

- Held media skills workshops for managers.
- Helped establish "Friends of WFP, Inc." in the United States of America.
- Prepared guidelines for Standardized Project Reports to donors.
- Began work on the FMIP project to establish the Resource Mobilization System (RMS).

In 1998

- Prepared guidelines for local acceptance of contributions.
- The RMS was fully developed, and is now undergoing final testing for headquarters use. Pilot testing for field use is planned for early 1999.
- Standardized Project Reports were issued.

THE EFFECT OF ORGANIZATIONAL CHANGE

13. These organizational changes must have a positive impact in the field or there is little lasting value to the change process itself. The organizational changes introduced must firstly affect the manner in which decisions are taken and administrative processes take place in the field. This alone should result in a more effective organization that is better able to tap the full potential of staff at all levels. At the same time, however, a certain amount of time must pass for these organizational changes to affect operational performance. At this stage, it is too early to evidence the effect in the field. Some preliminary conclusions, however, may be drawn from a mission which consulted headquarters staff and visited selected country and regional offices in August/September 1998. These include:

- WFP staff members recognize the clear and unequivocal commitment of the Executive Director and her senior managers to the change management process; decisions have been translated into action, and the new shape of the organization is clear.
- There is significant ownership of the change management process throughout the institution, grounded in the engagement of staff in the process from the outset. There is a growing realization that each individual does have the opportunity to contribute to making WFP a more effective institution.
- WFP staff understand that moving forward expeditiously involves a range of difficult trade-offs. For example, striking the balance between on the one hand ensuring that staff have the necessary tools to do the work and be held accountable, and on the other deferring implementation until all the desirable tools are in place.
- WFP staff appreciate the efforts to maintain the momentum of change and build on the achievements made so far.



- Real delegation of authority and decentralization of decision-making, however, will only happen to the degree that the field uses them, and is prepared to accept the responsibilities that go along with increased authority. There is a healthy and informed attitude on the part of managers as to their increased authorities. And this is accompanied by a heightened awareness in headquarters that up-to-date normative guidance and the information and communication systems to support that delegated authority are not yet all in place.
- Country Directors are now clearly responsible for the preparation of Country Strategy Outlines, Country Programmes, Protracted Relief and Recovery Operations, Emergency Operations, and Development Projects. As such, the burden of identifying key roles for food aid, the most vulnerable and needy groups, appropriate partners, and the most efficient delivery methods is up to the country team to determine, justify and present. More time is needed for this to have a deep and broad effect on WFP's programmes but the process has begun and some early quality improvements have been noted.

THE NEXT STEPS

14. Organizational change is an ongoing process. The year 1997 was extraordinary because WFP made many basic structural and operational changes. Nineteen ninety-eight was a definitive year for organizational change in WFP as the reduced, more efficient headquarters staff adapted to the new, more modern, much more functional headquarters building in Parco de' Medici, Rome and tested and made adjustments to their new normative roles in support of the WFP field-based programme.
15. Learning by doing, listening attentively to the feedback from WFP staff in the field and responding promptly to their real concerns, must remain the hallmark of the change management process. For example, staff in the field can only be effective in exercising authorities delegated from headquarters if they have access to the same information as the staff at headquarters. The connectivity exercise, which provides this kind of access, was given higher priority following a Senior Managers' Workshop in Abidjan at which WFP field managers indicated that delays in installing this facility were limiting their capacity to take informed decisions using newly delegated authorities. Similarly, a meeting will be held early in the new year to clarify the advisory role of the regional office and operational role of the country office, *inter alia*, to ensure that regional offices do not become another layer in the organizational hierarchy.
16. The years ahead will require additional action to further consolidate the organizational changes already made, and to continue to adapt to rapidly changing relief and development needs. WFP will be carrying out its role in using food aid to address the critical needs of the hungry poor through new United Nations mechanisms, including the United Nations Development Group and the Executive Committee on Humanitarian Affairs. WFP will increase field-based financial management. The Country Office Accounting Guide recently reviewed, updated, and made available to managers and staff via the WFP Intranet will help guide the field in that process. Based upon the new Financial Regulations and Rules, the WFP Finance Manual will be updated, simplified where possible, and adapted for use by managers as well as finance officers. A simplified procedure will be designed for allotment advice and payment authorization of direct support costs, including adoption of the principle of total and early transfer of Direct Support Cost allotments to the field. An



improved system for reporting project authorizations and expenditure data to the country offices will be adopted.

17. The preparation of required normative guidance for employees will be continued during 1999. The Programme Design Manual will be progressively available to WFP employees as sections are finalized. Procurement Guidelines, consistent with the new procurement management system, are being updated and will be released. Administrative Guidelines will be produced. A WFP Personnel Manual will be developed using the FAO Staff Regulations and Rules but including, with the agreement of the Secretary-General of the United Nations and the Director-General of FAO, such special rules as may be necessary to fit WFP's specific circumstances.
18. WFP will move to the next level of internal communications during 1999, with increased telecommunications connectivity, increased decentralization of many management functions to the field, and regularized operation and use of the WFP Intranet. The information collection, management and exchange systems, which have been under development through FMIP, will begin to be put into operation. To benefit from their full potential, new staff skills and in-service training will need to be developed.
19. In September 1998, the Executive Director established an Organizational Change Oversight Committee at executive staff level to set the agenda for organizational change for 1999 and to plan, manage and monitor its implementation. This decision will institutionalize the process of organizational change by shaping arrangements to ensure that learning and change become the way of life for WFP.

