

# Annual Performance Report

## EXTRACTS FROM THE DRAFT ANNUAL PERFORMANCE REPORT FOR 2020

### Table of Contents

<b>Foreword by the Executive Director</b>	<b>1</b>
<b>Executive summary</b>	<b>4</b>
Part I: Introduction .....	4
Part II: Programme performance .....	4
Part III: Management performance.....	6
Part IV: Financial resources and funding.....	7
Part V: Looking forward.....	8

## Foreword by the Executive Director

In April 2020, the World Food Programme raised the alarm to warn that the unprecedented global turmoil unleashed by COVID-19 threatened to set off a second pandemic – a hunger pandemic. Across the world, countless millions of people lost their jobs. Education and livelihoods suffered as nations were forced to close their borders, businesses and schools to halt the spread of the virus. This global economic crisis added to the legions of children, women and men already condemned to hunger due to conflict and climate extremes. In 2020, an estimated 270 million people were acutely food-insecure – double the grim record reached in 2019.

In response, WFP called for urgent action to assist the most vulnerable communities, including those devastated by enduring conflicts in countries such as South Sudan, the Syrian Arab Republic and Yemen; by catastrophes such as the Beirut port blasts; and others affected by major climate-related shocks such as drought in Zimbabwe and hurricanes in Latin America and the Caribbean. Thanks to the global community's swift, coordinated response, we managed to avert famine in 2020. However, our concerns of 2020 have become a reality in 2021. As of mid-March 2021, 34 million people in 41 countries were existing right on the brink of starvation.

This annual performance report describes how WFP acted swiftly and effectively in the most challenging year of the organization's history by adapting its programmes, systems and partnerships to the rapidly evolving situation. In 2020, we directly assisted over 115 million people, our highest annual total ever: 61.6 million women and girls and 54 million men and boys. Our ability to support 40 percent more people than in 2016 was made possible by continued support from loyal donors, large increases in funding from private individuals and agreements with international financial institutions. In 2020, WFP received record revenues of USD 8.9 billion.

WFP launched its first ever global Level 3 emergency response in March 2020 to meet the unparalleled need for food and nutrition assistance resulting from COVID-19 while also responding to 16 Level 2 and Level 3 emergencies and sustaining support for existing beneficiaries in 84 countries. While achieving this level of sustained operations, WFP also provided vital common services to governments and partners worldwide, transporting health and humanitarian workers while moving life-saving cargo to remote locations along with shipping test samples and critical medical supplies.

Last year WFP was deeply humbled to be named as the 2020 Nobel Peace Prize Laureate, in recognition of our decades-long work to break the vicious cycle of conflict and hunger. This immense honour has galvanized our efforts to mobilize further support to combat hunger and work more strategically across the humanitarian-development-peace nexus so vulnerable communities can "build back better" after the pandemic.

Even as we work to save lives by feeding families and children during crises, we also help families invest in their future by laying a path towards new educational and employment opportunities.

Across the world, the closure of schools highlighted the importance of school feeding as the world's largest safety net for hungry children. In response, WFP nimbly switched from providing food for school meals to providing families with take-home rations, cash transfers and vouchers, thus allowing governments to adapt their school health and nutrition programmes in response to COVID-19. Compared with 2019, cash-based transfers to support schoolchildren's families increased by 46 percent, showing WFP's commitment to maintaining the immediate well-being of vulnerable girls and boys and increasing their chances of re-enrolling when schools reopened.

In the wake of the pandemic, global shortages of nutritious products raised the risks of malnutrition, particularly among children under 5. In response, WFP adapted its delivery mechanisms and redirected available products to the most vulnerable individuals, ensuring that they received continuous treatment despite COVID-19. During the year, new strategies and partnerships to improve the scale and efficiency of nutrition programmes were finalized, including an ambitious agreement with the United Nations Children's Fund on combatting child wasting.

But WFP also recognizes that no single organization can meet the needs of the world's 690 million chronically food-insecure people alone. We ultimately aim to enable governments, partners and people to work towards a hunger-free world. For this reason, WFP supported many governments with food and cash, as well as technical support, as they scaled up their national social protection schemes to act as the first line of defence against the pandemic's economic impacts.

Overall, WFP supported 65 governments in introducing new measures, scaling up or adapting existing social protection measures, and assisted nearly three-quarters of these countries in delivering their cash-based responses. In 2020, more people than ever before benefitted from WFP's cash-based support, empowering families to improve their food security while strengthening their local economies and markets by helping governments to build national capacities.

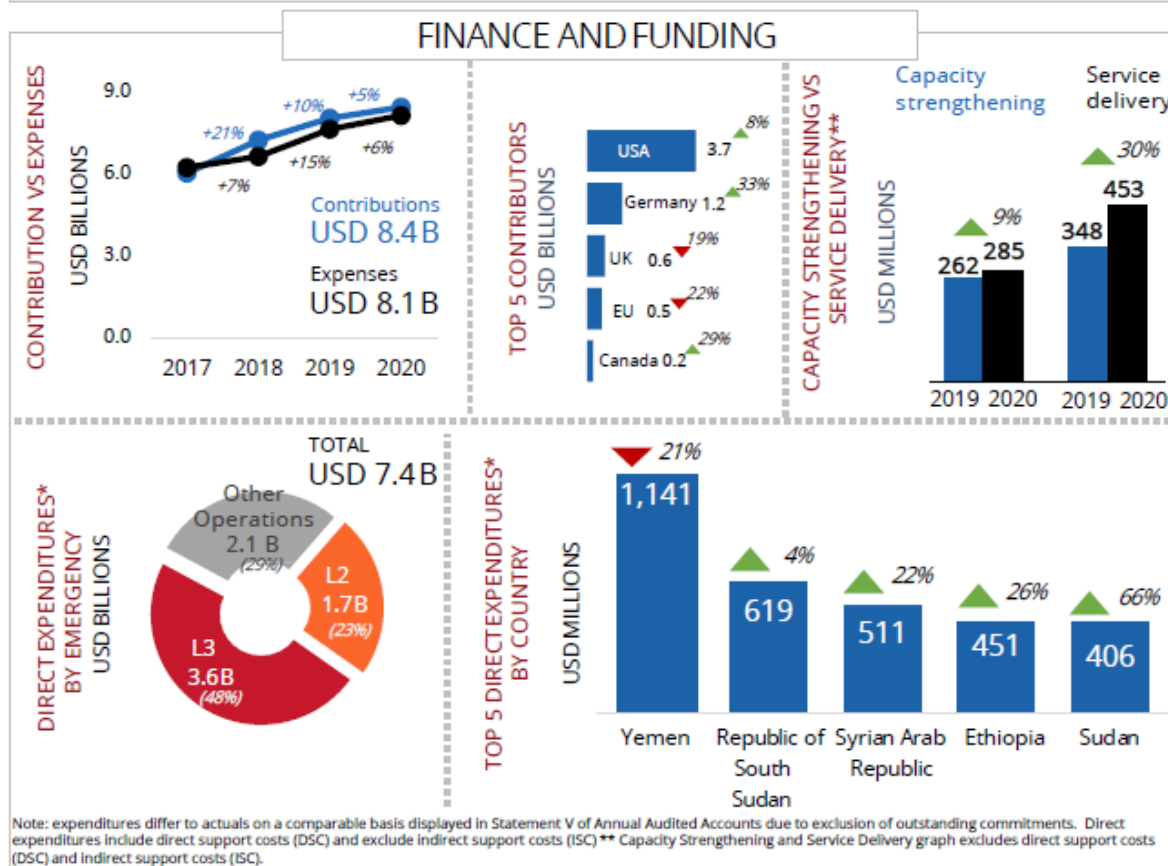
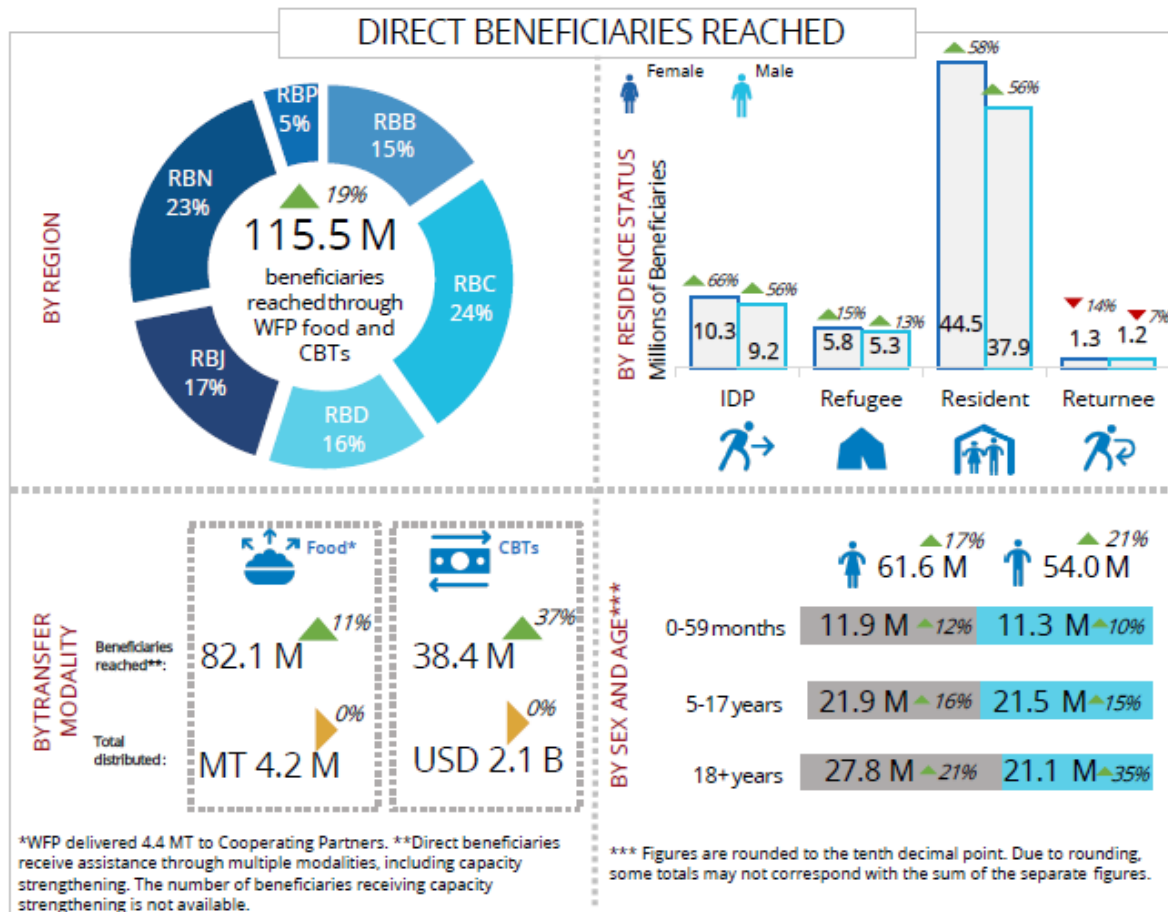
Our success was underpinned by WFP's continued investment in priority areas influencing organizational performance: leadership in emergencies, funding and partnerships, programme excellence, digital transformation, simplification and efficiency and people management. These investments have contributed to efficiency gains in terms of time and money saved, enabling WFP to maximize the number of hungry people reached with every dollar received. Just as important, we continually reviewed our risk and control frameworks to ensure that they were fully robust, including actions for managing third-party risks during emergencies.

None of WFP's achievements in 2020 would have been possible without the dedication and courage of our employees, who stepped up to the challenges of staying and delivering despite extraordinary personal health and safety concerns, movement restrictions and difficult working conditions. As many employees volunteered to serve on the frontline, 20 of them tragically paid the ultimate price with their lives. These losses make us even more determined to support the well-being, health and safety of every single employee. In early 2020, WFP established a department for workplace culture to reaffirm the organization's strong workplace values while taking action to ensure that all employees feel safe and respected and enjoy a workplace free from harassment and discrimination.

All around the world, WFP's frontline teams are working day and night with our partners to get help where it is needed most, bringing a sense of hope to families and communities who are suffering so badly right now. The economic fallout from COVID-19 threatens to rob the next generation of its future, but the global community has the resources, knowledge and expertise to vaccinate every vulnerable person against hunger and help them prosper, now and over the long term.

Amid all the challenges and hardships unleashed by the COVID-19 pandemic, we have an opportunity to rebuild our social, economic and environmental systems so they are stronger, more resilient and more just. This is our chance to create the better world we all want to see. Let us work together in partnership to achieve it.

# WFP 2020 REACH AT A GLANCE



## Executive summary

### Part I: Introduction

In 2020, the 2019 coronavirus disease (COVID-19) unleashed the worst global health emergency of the past century and caused the deepest global recession in generations, reversing decades of progress against poverty, inequality and hunger. WFP responded swiftly to the pandemic by scaling up emergency response and providing its field offices with surge capacity to ensure the continuity of existing humanitarian operations and increased support for national safety net systems.

System-wide advances as part of United Nations reform facilitated holistic pandemic support for governments. WFP expanded its provision of common services to support the entire humanitarian and health community by transporting essential supplies and personnel to the frontlines of the pandemic and conducting medical evacuations (medevacs).<sup>1</sup>

WFP was named the Nobel Peace Prize Laureate in 2020, indicating due recognition of the inexorable link between peace and food security. The prize provided a humbling but energizing boost to WFP's employees as they stayed and delivered in a frequently shifting field of operations affected by COVID-19, conflict and climate change. The naming of WFP as Nobel Peace Prize Laureate has led to a redoubling of its efforts to continue providing principled and high-quality assistance to affected communities and their governments.

### Part II: Programme performance

WFP and its partners provided direct assistance to a record 115.5 million beneficiaries in 2020 – of whom 61.6 million were women and girls and 53.9 million were men and boys. Distributing 4.2 million mt of food and USD 2.1 billion in cash-based transfers (CBTs), WFP reached 11 percent more beneficiaries through food assistance and 37 percent more through CBTs than in 2019.

By 2020, all WFP country offices were operating through a Board-approved country strategic plan (CSP) or interim country strategic plan (ICSP). Through these CSPs, WFP ensured the continuity of ongoing humanitarian operations and swiftly adapted in response to COVID-19. Leveraging its extensive field presence and proven leadership in supply chains and digital technologies, WFP pre-positioned food stocks and increased local purchases to sustain ongoing operations, while scaling up assistance to reach new beneficiaries affected by the pandemic, particularly in urban areas. Governments and humanitarian partners were provided with vital technical assistance and logistics support, which enabled effective local responses to COVID-19. The following paragraphs give a synopsis of achievements towards each strategic objective.

**Strategic Objective 1 – End hunger by protecting access to food:** Most of WFP's operations – representing 78 percent of total expenditures – were implemented under Strategic Objective 1, which accounted for 95 percent of food delivered and 87 percent of CBTs distributed. While responding to the first global Level 3 emergency (COVID-19), WFP also covered 16 other Level 3 and Level 2 emergencies, working to ensure that beneficiaries had access to food despite the challenges created by COVID-19, conflict and climate-related crises. Food and CBT distributions increased substantially in Bangladesh, Burkina Faso and the Sudan, while in Yemen, in contrast, they were reduced owing to access and funding constraints. Important challenges remain, such as the need to improve people's consumption of iron, protein and vitamin A.

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<sup>1</sup> Additional information can be found in part III of this document.

**Strategic Objective 2 – Improve nutrition:** WFP's contributions to improving the nutrition of targeted people yielded strong results, especially through programmes for the treatment of moderate acute malnutrition. The significant results can be partly attributed to WFP prioritizing distribution of scarce specialized nutritious food for malnutrition programming for the people most at risk.

**Strategic Objective 3 – Achieve food security and Strategic Objective 4 – Support Sustainable Development Goal (SDG) implementation:** Results under these two objectives are strong. Success in improving farmers' access to markets and strengthening food systems is partly reflected in the value and volume of smallholders' sales through WFP-supported aggregation systems. Similarly, support for national governments, particularly in strengthening capacities, shows strong results in the national nutrition and other policies and programmes that have been enhanced as a result of WFP capacity strengthening activities, including through South-South and triangular cooperation.

**Strategic Objective 5 – Partner for SDG results:** WFP was successful in partnering for SDG results. Strong performance in the indicator measuring partners' satisfaction with WFP's coordination and supply chain support reflected the organization's ability to leverage its extensive operational footprint and expertise to support the health and humanitarian community in responding to COVID-19. Nevertheless, CBT distributions under this strategic objective saw an important reduction of 72 percent compared with 2019, due primarily to the handover of the large-scale emergency social safety net (ESSN) programme implemented through the Turkey country office.

WFP deepens this review of performance by analysing results in its main programmes areas:

- **Unconditional resource transfers:** 83 million beneficiaries were reached, an increase of 36 percent compared with 2019, reflecting a scale-up of operations in response to increasing needs exacerbated by COVID-19. Food and CBTs distributed remained similar to their 2019 levels; CBT levels through unconditional resource transfers show an increase of 22 percent when the handover of the ESSN is omitted from the 2020 analysis.
- **Nutrition:** 17.3 million beneficiaries were assisted, primarily children and pregnant and lactating women and girls. Owing to a global reduction in the production of specialized nutritious foods, WFP delivered 1 percent less of these commodities than in 2019, prioritizing their use for the treatment and prevention of malnutrition in the most vulnerable people.
- **School-based programmes:** 15 million children were assisted with nutritious meals, school snacks or take-home rations, a reduction of 13 percent compared with 2019. The pandemic's impact on school closures severely affected on-site distribution, but country offices were able to quickly switch delivery modality to take-home rations, cash transfers or vouchers. While WFP did not reach the number of schoolchildren targeted for 2020, the rations distributed during the pandemic helped more members of the schoolchildren's households.
- **Smallholders, livelihoods, food systems and climate risk management:** WFP provided food assistance for 7.7 million people through its asset creation and livelihood activities, 2.5 million people through climate insurance or anticipatory actions and more than 48,000 people through its smallholder agricultural market support programmes. In addition, it helped host governments to plan and undertake a range of asset creation, livelihoods, food systems and climate risk management activities.

WFP tracks progress in the areas of **service provision and country capacity strengthening (CCS)**. Service provision capacity proved fundamental from the onset of the COVID-19 pandemic, enabling governments, United Nations agencies and other partners to reach beneficiaries and respond to the pandemic efficiently and effectively. WFP launched a global common services platform that supports the health and humanitarian communities in responding to the pandemic, ensuring the continued movement of critical cargo and staff. More than 100 CSP activities across countries reported progress towards long-term institutional capacity outcomes in 2020, through additional investments in WFP's CCS activities focused on national response. Progress has been made in engaging with national governments and other stakeholders, including through South-South and triangular cooperation, although challenges remain on how to measure WFP's contributions to national policy development and capacity strengthening, including how to link relief efforts to recovery and development results.

### Part III: Management performance

**Key performance indicators (KPIs):** In 2020 all KPIs, their components and their targets were rigorously reviewed. Overall progress was mixed in **KPI 1**, which measures implementation of CSPs. Despite increasing needs and funding gaps throughout the year, 96 percent of outputs and 96 percent of outcomes were under implementation in 2020. Instead of reducing the number of activities implemented, country offices prioritized the maintenance of at least partial coverage for most planned operations, albeit at reduced scale in many cases. Achievements fell short of targets with fewer than 60 percent of all outputs and 66 percent of outcomes on track or achieved. **KPI 2**, assessing emergency preparedness and response, showed overall positive results with targets met in 100 percent of training areas. Advance financing was provided to 88 percent of countries in the corporate alert system, slightly below the target of 90 percent. **KPI 3**, measuring the achievement of management performance standards in functional areas, shows the programme functional area being on track to meet targets, while all other functional areas achieved their targets.

**Result pillars:** While the management services provided by country offices contribute directly to CSP implementation, the contributions of services from regional bureaux and headquarters units are broken down into five pillars. Under **pillar A** (strategy and direction), WFP's senior management adapted and prioritized field operations, providing additional capacity to support regional and country offices. Under **pillar B** (business services for operations), results included the deployment of 500 staff members to 71 countries in response to COVID-19 priorities and exigencies. Global coordination structures were scaled up to provide governments with technical supply chain support, infrastructure and services. WFP implemented two years' worth of digital transformation in two months, as staff moved from working in offices to full remote working. Under **pillar C** (policy, guidance and policy assurance), WFP systematically replenished its pool of qualified staff for deployment in emergencies. WFP's assurance exercise was simplified, resulting in a 25 percent reduction in the time required to complete the exercise. Results under **pillar D** (advocacy, partnerships, fundraising and United Nations coordination) showed that all targets for private sector fundraising were met and individual giving donations increased threefold. WFP made progress in implementation of the United Nations reform, increased coordination with other United Nations agencies and international non-governmental organizations and strengthened partnerships through tripartite agreements with international financial institutions and governments in all regional bureaux. Under **pillar E** (governance and independent oversight), WFP shifted to virtual processes to allow governance continuity. As of 31 December 2020, there were 156 outstanding internal audit recommendations. Eight centrally managed evaluations were completed in 2020 and presented to the Executive Board for consideration.

**Performance against senior management priorities:** Mixed progress was made in senior management priorities in 2020, largely owing to the challenges of COVID-19 and changes in the methodologies used to assess indicators. WFP's performance against United Nations system and coordination indicators was very positive, demonstrating user satisfaction with all cluster services and improving on results against the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP 2.0) indicators. Reductions were noted in the number of employees completing mandatory training on the prevention of harassment, sexual harassment and abuse of power and on protection from sexual exploitation and abuse, and in the number of country offices with a functioning community feedback mechanism. While WFP increased its provision of digital CBTs in many countries, the relatively consistent KPI values between 2019 and 2020 are primarily due to the ESSN handover. A 2020 stocktaking exercise on initiatives and activities included in the comprehensive action plan (CAP) on addressing harassment, sexual harassment, abuse of power and discrimination showed progress, despite the restrictions imposed by the global pandemic.

WFP invested USD 40 million in **critical corporate initiatives** in 2020, along with resources carried over from 2019. An external audit of critical corporate initiatives at the end of 2020 recommended that WFP revisit the governance and selection criteria for future projects. In 2020 WFP measured **efficiency gains and value for money** through cost and time savings along its value chain, realizing more than USD 138 million in cost savings from the top ten efficiency gain initiatives, including through time savings. These robust results can be attributed to strategic innovation, digital transformation, operational optimization and simplification and inter-agency collaboration. A review of **cost per beneficiary** metrics provided the average cost of serving WFP's direct beneficiaries, comprising the transfer value and the transfer costs. In 2020, the average costs were USD 0.35 per day and USD 52 for the year.

#### Part IV: Financial resources and funding

In 2020, WFP received record contributions of USD 8.4 billion – 5 percent more than in 2019 – meeting 61 percent of its funding needs of USD 13.7 billion. WFP's top five donors accounted for 74 percent of total contribution revenue, slightly less than in 2019. Contributions from the private sector increased significantly, with fundraising targets for individual giving being surpassed. WFP received increased funding from national governments, which leveraged financing from international financial institutions. WFP broadened its donor base through innovative mechanisms such as debt swaps, increased South–South and triangular cooperation, and access to pooled funds for addressing persistent funding gaps in longer-term programmes. Flexible funds represented 5.7 percent of total 2020 contribution revenue, despite an appeal for increased use of unearmarked contributions for the COVID-19 response.

Total direct expenditures, excluding indirect support costs, were USD 7.4 billion, an increase of 3 percent from 2019. Seven of the ten countries with the highest expenditures were facing Level 3 or Level 2 emergencies. Needs in the remaining three, Ethiopia, Somalia and the Sudan, continued to be high owing to protracted conflict and climate shocks. Yemen remained the largest operation, although it experienced one of the highest reductions in expenditures, with a decrease of 21 percent compared with 2019.



**Part V: Looking forward**

The pandemic has extended into 2021, causing the numbers of people and countries at risk of famine to reach historic levels, with 34 million people globally on the brink of famine, many of them living in countries affected by intractable conflict.<sup>2</sup> In 2021, WFP is developing a new strategic plan and corporate results framework for 2022–2026. Implementation of second-generation CSPs continues, with emphasis on WFP's contributions to national hunger reduction goals and articulation of the parameters of its contributions to peace.

Management's priority activities include diversification and innovation of funding streams, monitoring and management of financial risks, and expansion of WFP's digital assistance platform for cash and in-kind distributions. Other priorities include the development of a new emergency response framework, an evaluation of WFP's 2013 policy on peacebuilding in transition settings, revision of the 2015 South–South and triangular cooperation policy and the development of a new WFP people policy, guided by the newly established Workplace Culture Department. WFP will continue to scale up initiatives that help communities to respond to the pandemic by expanding support for national social protection systems and delivering services such as school-based and nutrition programmes.

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<sup>2</sup> See: WFP and FAO. 2021. Hunger Hotspots. FAO-WFP early warnings on acute food insecurity: March to July 2021 outlook. <https://www.wfp.org/publications/hunger-hotspots-fao-wfp-early-warnings-acute-food-insecurity-march-july-2021-outlook>.