Risk Management Division

Third Regular Briefing with the Risk Management Division

September 2025

WFP
World Food
Programme

SAVING
LIVES
CHANGING
LIVES

CRO Strategic Update

OPERATIONAL	CORPORATE
• **The Democratic Republic of the Congo**: Risk Escalation • **Gaza:** armed escorts; looting incidents • **Bangladesh:** aid-diversion incident reported • **Yemen:** recent incidents	• **Assurance Workstream and Task Force:** latest developments • **Risk Lifecycle SOP:** comprehensive guidance cover 5 stages of risk management lifecycle including escalation • **ERM Policy Evaluation:** to be presented at EB.2/2025 (Nov) for consideration • **Accountability & Oversight Framework:** to be presented at EB.2/2025 (Nov) for approval

2026 RMD Budget and Staffing – Update on the Impact of Resource Constraints

	2023	2024	2025	2026	
PSA Budget*	6.95	5.6	4.85	5.0	5.0
Regional Risk Budget**	2.3	2.1	1.5		
Trust Funds	2.7	0.7	0.9	0.3	0.3
Total	**11.95**	**8.4**	**7.25**	**5.3**	5.3 **-56%**
(Travel Budget)	0.5	0.35	0.1	0	
Global Staff*	53	44	35	26	26
Regional Staff**	12	12	12	9	
Total	**65**	**56**	**47**	**35**	35 **-46%**

* Adjustments reflect the incorporation of new activities into the RMD mandate, including Business Continuity Management (BCM), the Evaluation Liaison function, and the GAP.
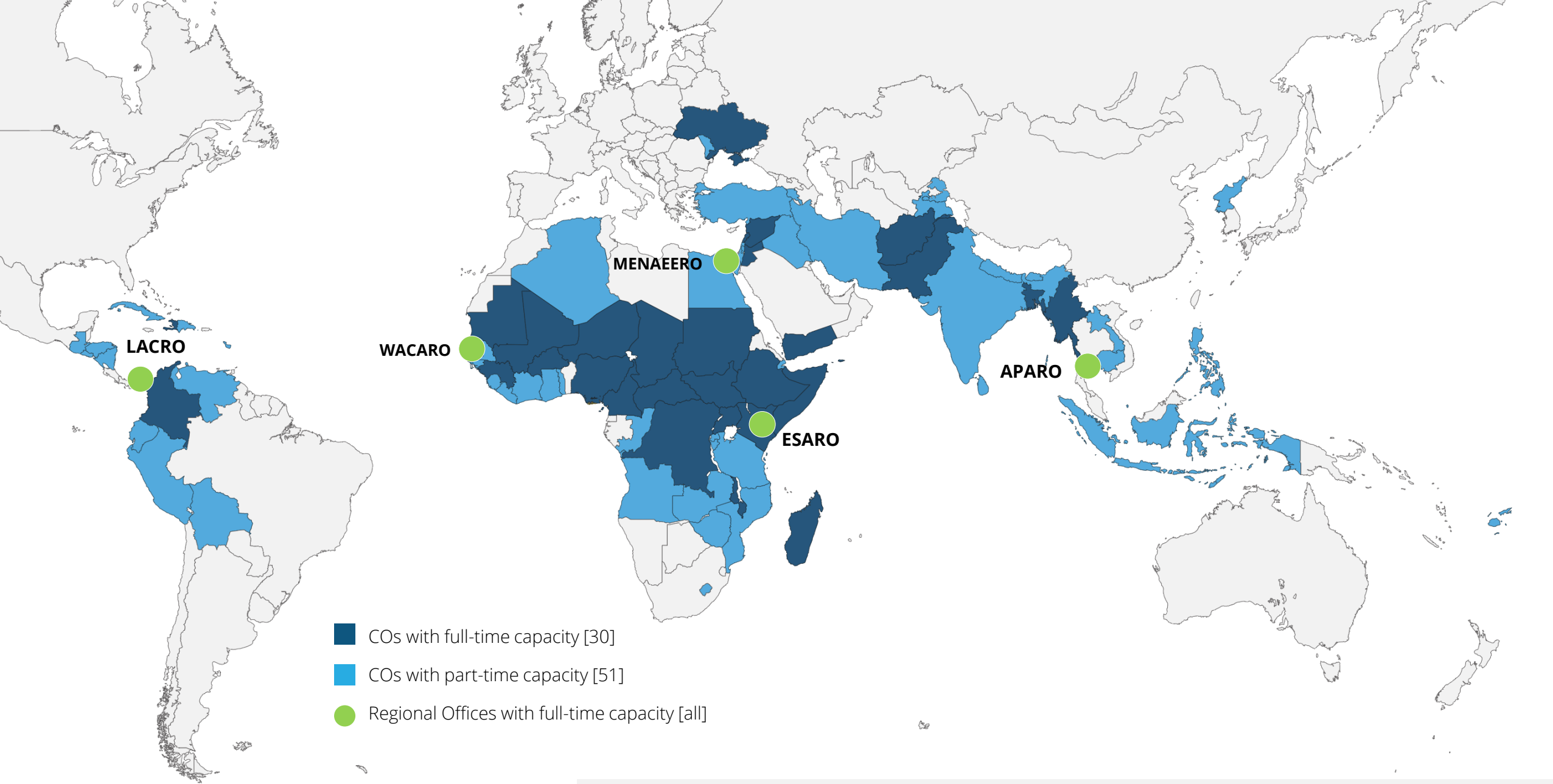
** Regional Risk Unit budgets and staffing figures are estimates. RMD does not have full visibility of regional budgets under the previous organizational structure.

Already addressed:

- **Oversight Follow-up Capacity** – Risk tolerated.

- **AFAC Support** - Partially addressed.

- **Travel & Oversight Missions** – Partially addressed.
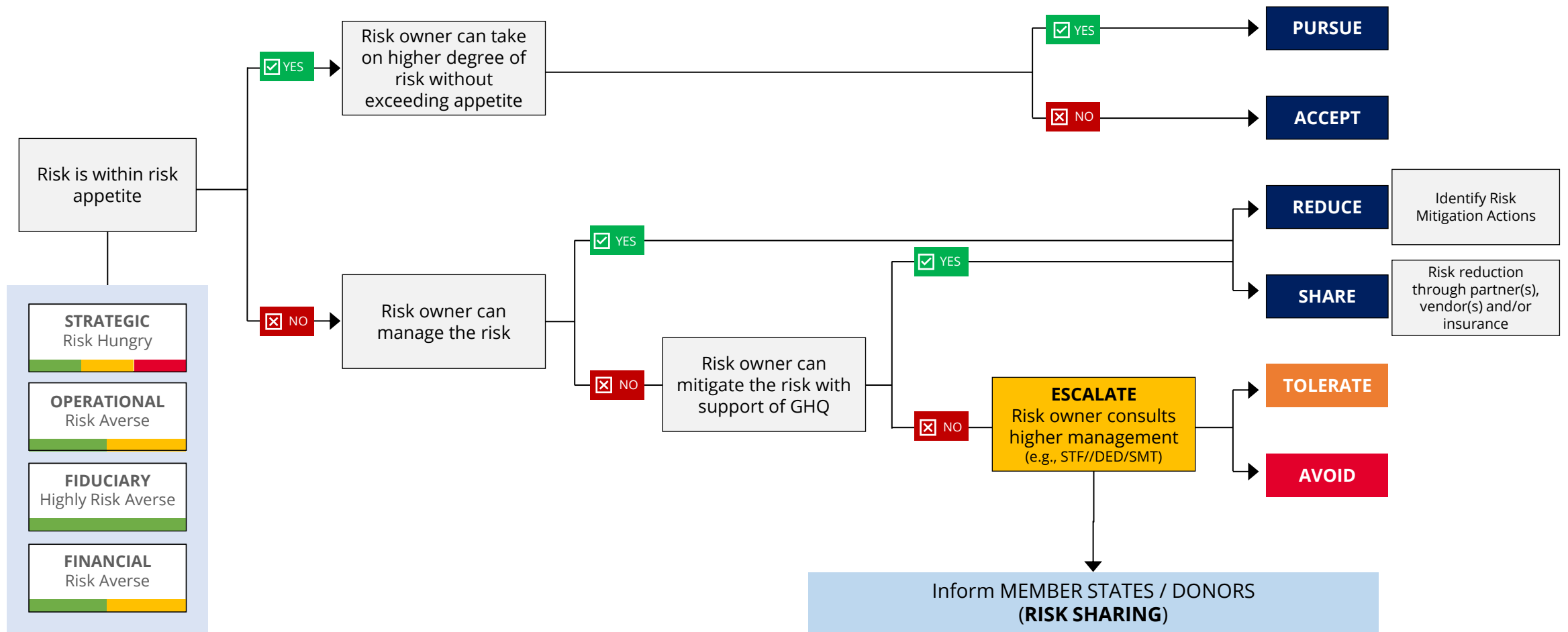
Still pending resources:

- **Global Assurance** – Pending CCI request (300K).

- **AFAC Support and Advisory Services (remaining)** – Pending CCI request (100K).

- **MENAEERO Risk Position** – Pending CCI request (250K).

LACRO

MENAEERO

WACARO

APARO

ESARO

COs with full-time capacity [30]

COs with part-time capacity [51]

Regional Offices with full-time capacity [all]

Global Risk Network Map – as of 18 Sept 2025

Updated Risk Response decision tree

Risk Management Lifecycle Standard Operating Procedures *(recently updated on WFPgo)*

Risk is within risk appetite

- ☑ YES → **Risk owner can take on higher degree of risk without exceeding appetite**
  - ☑ YES → **PURSUE**
  - ☒ NO → **ACCEPT**
- ☒ NO → **Risk owner can manage the risk**
  - ☑ YES → **REDUCE** — Identify Risk Mitigation Actions
  - ☒ NO → **Risk owner can mitigate the risk with support of GHQ**
    - ☑ YES → **SHARE** — Risk reduction through partner(s), vendor(s) and/or insurance
    - ☒ NO → **ESCALATE** Risk owner consults higher management (e.g., STF//DED/SMT)
      - **TOLERATE**
      - **AVOID**
      - **Inform MEMBER STATES / DONORS (RISK SHARING)**

STRATEGIC Risk Hungry
OPERATIONAL Risk Averse
FIDUCIARY Highly Risk Averse
FINANCIAL Risk Averse

Collaborative Risk Management
Foster active engagement across the risk delivery chain for shared accountability.

Engagement with Donors (Risk Sharing)
Build strong relationships with the Donor Community through proactive outreach and regular participation in donor and CP sessions.

Preparedness
Maintain and share an updated "risk package" (e.g., Risk Register, Risk Appetite Statement) to clarify risk parameters and mitigation plans.

Incident Notifications
Implement a structured, regular incident notification system to ensure transparency, trust, and timely decisions.

Single Accountability
Foster a culture where individuals take full ownership of risks within their purview, ensuring clear accountability while leveraging cross-functional input for effective mitigation and aligned strategies.

Global Assurance Integration

Country Office
Identify Risks / Mitigate Risks / Escalate Risks
Adequate budgeting for assurance-related activities

Global Functions
(Thematic areas)

Normative guidance, corporate systems and standards

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Technical support

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Management oversight*

Conducted by Global Functions in their second line capacity

Assurance Governance

High-Level Task Force
- Cross functional coordination
- Amplification of country office inputs

Risk Committee
- Strategic direction
- Oversight

Risk Management Division

Normative Framework
- 2018 Enterprise Risk Management Policy
- Framework for Management Oversight at WFP

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Monitoring and Compliance
- Annual Executive Director Assurance Exercise

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Reporting
- Annual Management Review of Significant Risk and Control Issues
- Executive Board Informal Risk Management Briefings, 3x/year

Update on Assurance Thematic Areas (since EB Annual Session June 2025)

Targeting

Targeting Assurance Framework: Mainstreaming of targeting assurance standards is underway in all COs

- Kick-off sessions held in English, French and Spanish
- Self-assessment supported by Global HQ's strategic oversight

Community Feedback Mechanism

- **Updated CFM Toolkit finalized**, with enhanced tools & guidance, for September publication.
- **25 COs** on Standard SugarCRM (10 on the Joint CFM/Process Monitoring Issue Escalation & Case Management System)

Commodity Management

- **Food, Goods and Services Procurement and Supplier Relationship Management Manual** launched
- Strengthened compliance & oversight

Monitoring

Remote programme monitoring initiative expanded to 15 COs (100% of 2025 target):

- 12 higher-risk operations fully onboarded and 3 higher-risk operations ongoing

Full rollout to be completed in 2026, including mainstreaming standard face-to-face and remote programme monitoring tools across WFP operations.

Cooperating Partnership Management

- NGO Cooperating Partner Management Assurance Framework and Minimum Measures
- Updated Field-Level Agreements and spot-checks guidance.
- NGO Onboarding Training Package
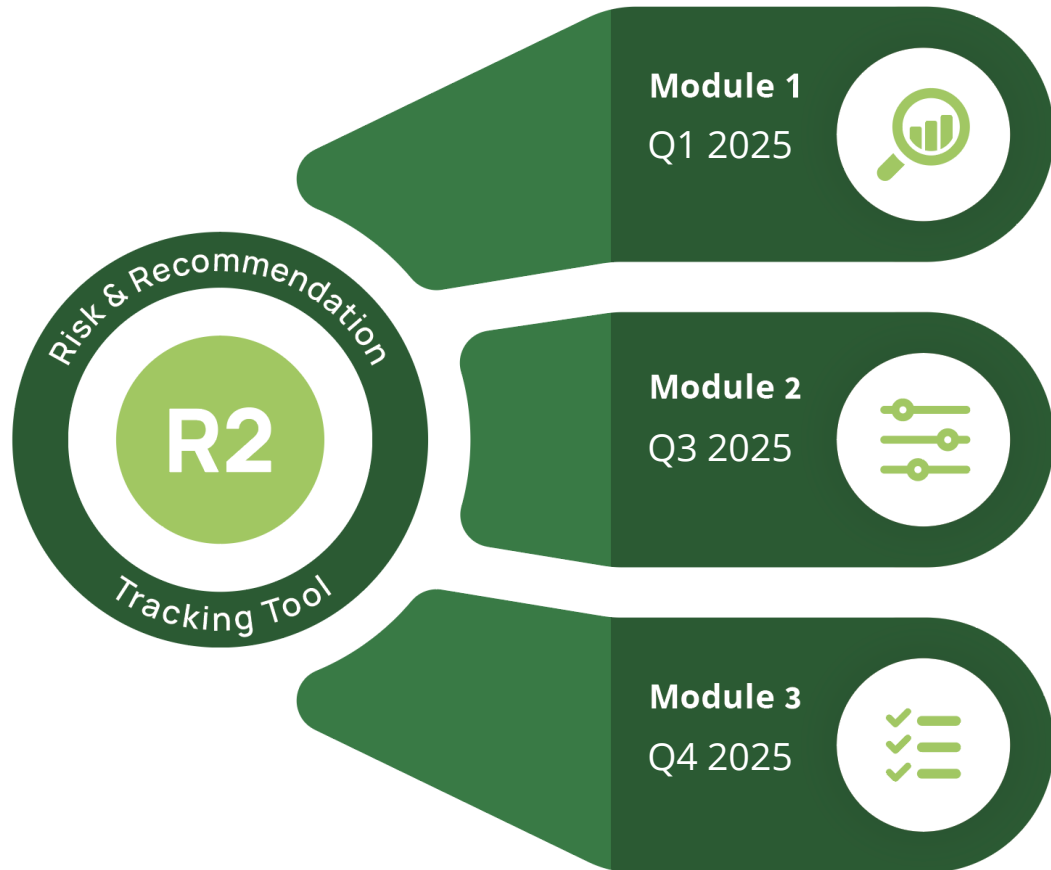
Identity Management

Soft launch of **IDM Assurance for In-Kind Framework** and accompanying technical note

New Risk and Recommendation Tracking Tool (R2) System

R2

Risk & Recommendation Tracking Tool

Module 1
Q1 2025

Oversight Recommendations
Managing oversight reports and recommendations issued by:

- External Audit ✔
- JIU ✔
- Internal Audit ✔
- Evaluation ✔
- Management Oversight Missions

Module 2
Q3 2025

Risk
Managing Risk Registers, Risk Assessments and Mitigating Actions
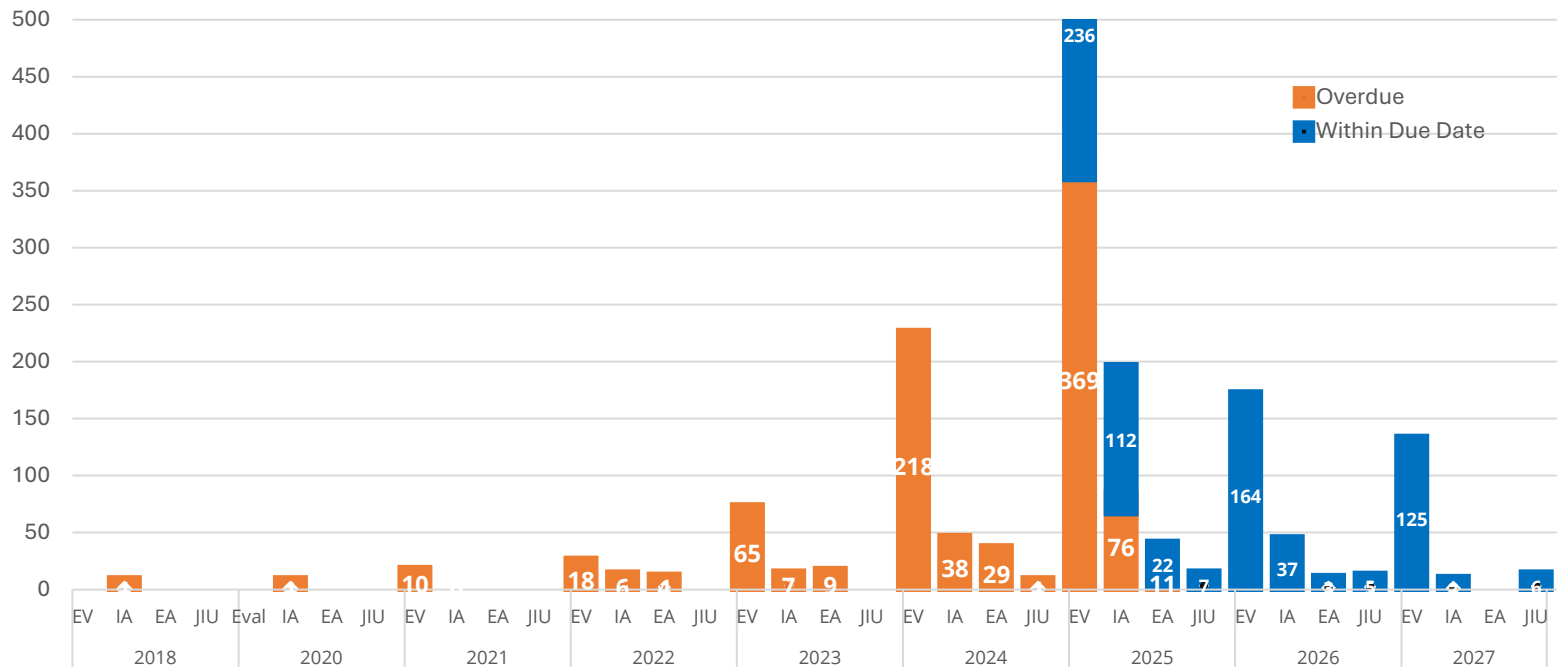
Module 3
Q4 2025

Internal Controls
Managing internal controls and assurance activities, e.g., the annual ED Assurance Exercise, Letter of Representation

Oversight recommendations implementation status summary

	As of 171st IOAC	New	Closed	As of 172nd IOAC	% overdue
EA - audited annual accounts	65	49	0	114	45%
EA - management letters	128	105	88	145	27%
JIU	19	0	0	19	42%
Internal Audit	305	18	43	280	46%
Evaluation	1055	230	80	1205	45%

EXECUTIVE SUMMARY:

❖ Consolidated update on the status of **Third Line independent assurance activities** – internal audit (IA) and evaluation – as well as **external assurance activities** – external audit (EA) and the Joint Inspection Unit (JIU)

❖ **Highlights since 171st IOAC session -** As of 14 August 2025:
  • **Net increase** in the total number outstanding actions mainly due to **the increase in number of actions to address EA and evaluation recommendations,** partially offset by a decrease in IA actions.
  • **Net increase in the number of overdue EA and evaluation actions**, emphasizing the need for renewed efforts, primarily driven by insufficient resources
  • **Zero closure on EA audited annual accounts and JIU recommendations:** mainly due to timing; EA validates recommendations for closure in Q1 while follow-up of JIU recommendations is done in Q4.
❖ **Actions being taken to ensure timely closure include:**
  • **Leadership Team sponsorship** and focus on timely implementation
  • Prioritization of high-impact EA recommendations supporting unqualified opinion
  • Chief of Staff focus on overdue IA actions with strengthened monitoring
  • Regular reporting to management through WFP Risk Committee
  • Continued enhancement of R2 for improved tracking and follow-up

Outstanding Oversight Actions by Original Due Date Year

2025-2026 Corporate Risks

2024-2025	2025-2026	Remark
Funding gap	**Funding gap**	Carry-over
Fraud & corruption	**Fraud & Corruption**	Carry-over
Workforce alignment	**Workforce misalignment**	Carry-over (renamed)
Employee duty of care	**Suboptimal employee duty of care**	Carry-over (renamed)
Digital transformation	**Digital stagnation**	Carry-over (renamed); including cyber risk
Programme focus	**Ineffective adaptation to the new normal**	**NEW** in consideration of changing humanitarian landscape
Beneficiary protection Operational partnerships	**Lack of programme assurance**	**NEW** in consideration of comprehensive assurance focus

Evaluation of WFP's Enterprise Risk Management Policy (2018)

Evaluation evidence	Recommendation	WFP Response
1. Policy quality • ERM Policy provides a strong foundation • Gaps remain in articulation of cross-cutting themes (e.g. risk escalation) • Human resources increased (2018–2024), but financial resources remain uncertain	Revise ERM Policy to address gaps, clarify internal logic, and ensure support during roll-out.	**WFP agrees.** Commits to policy revision, development of a Theory of Change, clearer risk framework, and updated guidance.
2. ERM and risk culture in WFP • Enhanced risk culture thanks to integrated ERM functions and senior leadership support • Progress toward ERM being "everyone's business," but not yet reflected across roles • Shortcomings in trust and incentives for open risk dialogue; siloing persists	• Promote and incentivize ERM ownership. • Embed ERM responsibilities in performance objectives/appraisals.	**WFP agrees.** Will expand training, embed ERM in performance management, and foster open dialogue on risk.
3. Policy implementation results • Decision-making is more risk-informed (better identification, assessment, monitoring) • Persisting challenges: risk escalation and managing out-of-appetite risks • Risk catalogue does not fully reflect issues like SEA, gender, security	• Strengthen ERM tools and update the risk catalogue. • Clarify roles/accountabilities for risk escalation (linked to 2025 MAF).	**WFP agrees.** Will roll out the R2 risk platform, update the risk catalogue, and clarify risk escalation responsibilities.
4. ERM contribution to WFP performance • Strategic planning is risk-informed, but links to performance management are weak • Missed opportunities: connecting CSP development with risk analysis	• Enhance links between risk management, programme planning, and operational decision-making (leveraging IT). • Clarify risk accountabilities in business processes and policy areas.	**WFP agrees.** Will integrate risk management with planning and operations, clarify accountabilities, and align Risk Officer roles with performance management.
5. ERM in WFP's external engagement and consideration of Humanitarian Principles • Limited visibility on donors' risk appetite in high-risk contexts • Insufficient attention to cooperating partners' role in risk management • ERM and Humanitarian Principles are mutually reinforcing, not contradictory	• Strengthen transparency and dialogue with donors/partners on risk appetite and residual risk. • Enhance guidance for CPs on risk sharing with host governments.	**WFP agrees.** Will facilitate structured donor/partner dialogue and provide improved guidance/templates for risk sharing.

Looking ahead

Q1 2026

- CRO Strategic Update
- Updates on Corporate Risk Register (CRR)
- Present the JIU (Joint Inspection Unit) status report
- Oversight recommendations Status report
- Update on Mainstreaming Assurance

Q2 2026

- CRO Strategic Update
- Updates on Operational Risk Register (ORR)
- Oversight recommendations Status report
- ED Assurance outcomes
- Management Review
- Response to the Annual Evaluation Report (AER)
- Evaluation implementation status report (Annex to AER)
- EA recommendation status (Annex to Audited Annual Accounts Report)

Q3 2026

- CRO Strategic Update
- Updates on CRR
- Oversight recommendations Status report
- Update on the WFP ERM Policy
- Update on the status of dissemination and communication of the AOF framework after EB approval in Q3 2026
- Update on Mainstreaming Assurance
- Management response to the Summary Field Report of the External Auditor

Final Q&A