



World Food Programme

Executive Board

Annual Session

Rome, 12–16 June 2017

Distribution: General

Date: 12 May 2017

Original: French

Agenda Item 6

WFP/EB.A/2017/6-H/1

Resource, Financial and Budgetary Matters

For consideration

Executive Board documents are available on WFP's website (<http://executiveboard.wfp.org>).

Report of the External Auditor on Changes in Human Resources

Draft decision*

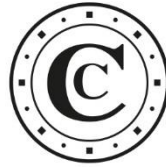
The Board takes note of “Report of the External Auditor on Changes in Human Resources” (WFP/EB.A/2017/6-H/1) and the management response in WFP/EB.A/2017/6-H/1/Add.1, and encourages further action on the recommendations, taking into account considerations raised by the Board during its discussion.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

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EXTERNAL AUDIT OF THE WORLD FOOD PROGRAMME

AUDIT REPORT
CHANGES IN HUMAN RESOURCES
2016

REFERENCE COUR DES COMPTES : WFP-2016-4



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I. EXECUTIVE SUMMARY

The launch of the People Strategy in July 2014 underscored WFP's commitment to making its human resources and the management thereof a key success factor enabling it to better fulfil its mandate, achieve its Strategic Objectives and respond to identified risks. Several initiatives have been implemented focusing on performance and management capacity, developing skills and strengthening locally recruited staff.

WFP has also taken various measures to address the problem of individual underperformance and motivate the best employees, but the organizational culture is slow to evolve and remains insufficiently open to this issue. Quality staff assessments are essential to guaranteeing fair and appropriate promotions and reassignments to ensure the right talent is in the right place. The shift towards a genuine performance mindset could, however, be accelerated by more material incentives, while assessment could be facilitated by the more widespread adoption of quantitative targets by supervisors. Performance indicators measuring the quality of evaluations by supervisors could also be considered.

More generally, the People Strategy highlights how WFP has taken on board the importance of managing its workforce proactively. The costs inherent in adjustments as a result of financial constraints are significant both directly, in terms of time and money, and over the longer term, in terms of learning and effectiveness. Predicting needs in terms of skills and personnel is essential as WFP diversifies its operations and faces proliferating crises, and its emergency response deployment roster is proving insufficient. However, the targeted tools to realize such forward planning remain as yet incomplete: Staffing Structure Reviews lack supervision and vary widely among divisions and countries. Furthermore, there is as yet no medium-to-long-term workforce forward-planning system.

Workforce forward planning also affects locally recruited employees. WFP's commitment to strengthening this category of employees, whether staff or non-staff, is commendable and should be encouraged since local employees are undeniably among WFP's strengths. However, there can be no change in the status of locally recruited staff on short-term contracts without a sound ex ante assessment of the expected costs and benefits. Staffing structure reviews could provide valuable input to such a study.

In the same vein of strengthening national staff, the options of granting positions currently assigned to international staff to National Professional Officers, or creating new positions to enhance their career prospects, should be explored.

At the international level, the key challenges lie in the area of recruitment on short-term contracts: the growth in consultant numbers undoubtedly extends beyond WFP, but nevertheless calls for an accurate redefinition of the criteria governing when this category should be used. Making the reasons for hiring a consultant more transparent would distinguish cases of responding to ad hoc needs from those where the new entrant is actually intended to fill a permanent role in the organization without using a staff post due to financial constraints. In the latter case, a transparent and competitive recruitment process would be desirable, and is possible, instead of the current situation where ad hoc recourse to consultants is a way of sidestepping the need to recruit on a competitive basis. A reflection on the level of their salaries is also advised, to ensure WFP does not over-pay for services by unnecessarily offering remuneration beyond levels required to attract and retain talent.

II. OBJECTIVES AND SCOPE OF THE AUDIT

1. Pursuant to our letter of notification dated 31 October 2016, a team of three external auditors conducted an audit mission to World Food Programme (WFP) Headquarters in Rome from 23 to 27 January and 6 to 10 February 2017. The objective of this audit was to examine developments in and the structure of human resources between 1 January 2012 and 31 December 2016.
2. Pursuant to an Executive Board decision of 10 November 2015, WFP External Audit was entrusted to the First President of the Cour des comptes of France for the period 1 July 2016 to 30 June 2022, in accordance with Article 14.1 of the WFP Financial Regulations.
3. The External Auditor's mandate is set out in Article XIV of the WFP Financial Regulations and its Annex, and in the call for applications for the appointment of the External Auditor. Its terms of reference comprise the call for applications, together with the detailed technical offer of services of the *Cour des comptes* approved by the Board.
4. The responsibilities of the External Auditor consist of auditing the accounts of WFP (Article 14.1 of the Financial Regulations) and making observations, if he sees fit, regarding the effectiveness of the financial procedures, the accounting system, internal financial controls and the administration and management of WFP, in general (Article 14.4 of the Financial Regulations).
5. Pursuant to Article 3.1 of the WFP Financial Regulations, the Executive Director is responsible and accountable to the Board for the financial management of WFP activities.
6. A letter of engagement was drawn up with the Executive Director in order to ensure that, in accordance with the international audit standards, the respective obligations of management and of the External Auditor are clearly understood. In addition, before each audit, the External Auditor communicates to the Secretariat the scope of the audit activities to be undertaken.
7. This report was included in the annual work plan of the External Auditor submitted to the Executive Board at its second regular session in November 2016, which detailed the audits to be carried out between July 2016 and June 2017. Pursuant to the terms of reference, the Auditor shall each year produce an audit report on the financial statements of WFP (submitted to the Board for approval) accompanied by an opinion on the accounts, a report each on the performance and the compliance of WFP management, also known as "performance audits" (submitted to the Board for consideration) and ten management letters issued following field office visits (including regional bureaux and country offices). The External Auditor also reviews the draft annual report on the implementation of the recommendations of the External Auditor submitted by the Secretariat to the Board for consideration.
8. The audit of human resources structures and developments was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAI) on performance and compliance audits, the WFP Financial Regulations and the additional terms of reference annexed to it. These standards require the External Auditor to comply with the relevant ethical rules in respect of the audit, to exercise professional judgement and to take a critical approach throughout the audit.

9. Concurrent field visits, including to country offices and regional bureaux,¹ primarily examined the compliance of their management, but the audit activities also contributed to the preparation of this report.

10. The primary objectives of the audit were to determine:

- how well the management of the audited area complied with the principles of economy, efficiency and effectiveness and whether improvements could be made; and
- if the activities, transactions and information, in all their significant aspects, complied with the provisions of the WFP fundamental texts.

11. All observations and recommendations were discussed with the relevant staff, in particular the Human Resources Division (HRM). An exit conference was held with the Director of Human Resources and her deputy on 10 February 2017.

12. An audit conducted in accordance with international standards examines performance and compliance based on appropriate criteria and analyses the reasons for any deviation from these criteria. The goal is to answer the main audit questions and to recommend improvements. The first stage of the audit is to outline the matter under consideration, which matter determines the information, conditions or activities to be assessed, and can take various forms and have various characteristics, depending on the audit objective. To be appropriate, it must be possible to define the matter under consideration so as to measure it consistently against criteria and subject it to procedures for gathering sufficient and appropriate audit evidence to support the audit conclusion.²

13. In conducting the audit on the development and structure of WFP human resources, the External Auditor examined, in particular:

- the follow-up to the previous external audit (WFP/EB.A/2012/6-F/1) of 3 May 2012;
- the implementation of the People Strategy (2014–2017) (WFP/EB.2/2014/4-B) of September 2014³; and
- the development and sustainability of WFP's human resources policy from 2012 to 2016.

¹ Bangkok and Dakar Regional Bureaux, WFP offices in Brussels, Copenhagen and London, and Country Offices in Burkina Faso, Cambodia, Cameroon, Central African Republic, Ethiopia, Lao People's Democratic Republic, Myanmar and Pakistan.

² ISSAI 100 para. 22 and 26.

³ Updated in the document WFP/EB.1/2016/4-E dated February 2016 and supplemented by the WFP Human Resources Functional Strategy.

III. LIST OF RECOMMENDATIONS

14. The recommendations are classified in order of priority:

- Priority 1: an essential matter requiring the immediate attention of management.
- Priority 2: a less urgent control issue requiring management attention.
- Priority 3: an issue, brought to the attention of management, pertaining to which controls could be improved.

Field	Priority	Recommendations
Recruitment criteria	1	Recommendation 1. The External Auditor recommends, in accordance with the recommendations of the United Nations Joint Inspection Unit, clarifying the criteria for recruiting each category of employee with a view to aligning practice with stated principles.
Level of remuneration	1	Recommendation 2. The External Auditor recommends that remuneration for newly recruited consultants be thoroughly reviewed to better align it with market practices, while maintaining it slightly above market rates to attract the best candidates when needed.
Payroll management	3	Recommendation 3. The External Auditor recommends that, at regular intervals – for example quarterly – a synthesis of the main components of all WFP-financed payroll be made.
Review of workforce	2	Recommendation 4. The External Auditor recommends: a) that Headquarters and regional bureaux exercise greater supervision over staffing structure reviews, in particular to mitigate the significant disparities in the resources available for human resource management in the field; and b) that these reviews be made systematic for all country offices and regional bureaux every two or three years and that they lead to a concrete action plan with a set timetable.
Workforce forward planning	2	Recommendation 5. The External Auditor recommends the establishment of a framework for workforce and skills management planning closely linked to staffing structure reviews at the local level.
Recruitment of consultants	1	Recommendation 6. The External Auditor recommends the establishment of a procedure for recruiting consultants that includes an open call for applicants and a competitive selection process; exceptions would be made in an emergency but would require authorization.
Recruitment files	2	Recommendation 7. The External Auditor recommends that it be ensured that recruitment records contain all necessary documents to allow for the monitoring of compliance with procedures and the quality of procedures.
Performance assessment	3	Recommendation 8. The External Auditor recommends a medium-term analysis of the possibility of introducing partial performance-related pay for managerial staff.
Performance assessment	2	Recommendation 9. In order to strengthen the performance assessment mindset among WFP employees, the External Auditor recommends that WFP continue its work communicating with and raising awareness among employees, especially line managers, to encourage them to implement this assessment procedure effectively. As such, performance indicators intended to measure the quality of the assessment carried out by line managers could be envisaged.

Field	Priority	Recommendations
Performance assessment	2	Recommendation 10. The External Auditor recommends that a sample of Performance and Competency Enhancement (PACE) assessments regularly undergo internal audit to enable the Human Resources Division to carry out more qualitative monitoring and better target areas for improvement.
Urgent deployments	1	Recommendation 11. The External Auditor recommends that the leadership roster be finalized swiftly in order to diversify the categories of staff deployed to the field and thereby ensure the effectiveness of emergency response operations.
Change in status	2	Recommendation 12. The External Auditor recommends that any change in status of a significant number of employees in a country office be made conditional on a rigorous and prudent assessment of the potential additional costs and relevant financing.
National Professional Officers	2	Recommendation 13. The External Auditor recommends requesting country office directors to consider, during staffing structure reviews, whether certain international staff posts could be assigned to National Professional Officers.
National Professional Officers	3	Recommendation 14. The External Auditor recommends exploring the possibility of improving the prospects for career progression for National Professional Officers by financing the creation of additional posts at higher levels through the elimination of international professional posts of equivalent level.

IV. INTRODUCTION: THE PEOPLE STRATEGY

15. Against the backdrop of an unstable environment with proliferating humanitarian crises and ever-escalating competition for funding, WFP aims to remain continuously mobilized⁴ to achieve its Strategic Objectives and do more for more people with less⁵ while ensuring full transparency. Its core mission, ending hunger worldwide, remains unchanged but its operational focus on food assistance and its long-term aims linked to the Sustainable Development Goals (SDGs) call for changes to its working methods. Conscious of these challenges, WFP management has launched several initiatives over recent years, and human resources, described as “WFP’s greatest strength”,⁶ play a major role.

16. While WFP’s workforce is key to its success, a number of challenges arise in the course of human resources management. Workforce costs (USD 770.6 million in 2015⁷) account for one of WFP’s main expenditures; employee numbers have increased 60 percent since 2002⁸ to more than 15,000 across more than 80 countries. At the end of 2016, 62.6 percent of the workforce did not have “staff” status, at the same time as disparate statuses among local recruits (86 percent of the workforce at the end of 2016⁹) could raise issues. Under WFP’s decentralized structure, a portion of human resources management is delegated to the regional bureaux (RBs) and the country offices, which calls for a clear delineation of responsibilities between Headquarters and the field.

17. In keeping with these observations, several studies¹⁰ have highlighted the main structural weaknesses threatening WFP’s workforce and human resources management. These risks can be summarized as follows:

Summary of the main risks facing WFP’s workforce and human resources management

- 1) **Reactive rather than proactive workforce planning** → skills are not aligned with needs.
- 2) **Dependence on short-term contracts** → lack of engagement of the workforce, no development of skills.
- 3) **Lack of transparency of recruitment and reassignment** → deterioration in social environment.
- 4) **Insufficient focus on performance in evaluations** → sub-effectiveness.
- 5) **Training policy could be improved** → poor performance, lack of anticipation of future requirements.
- 6) **Insufficient control over local recruitment** → non-optimal or unfair recruitment.
- 7) **Increase in humanitarian crises** → insufficient deployment capacity.

⁴ “WFP must continue to evolve, change and improve to meet and surmount each new challenge that stands in the way of achieving Zero Hunger”, *Fit for Purpose Review – Summary Board Paper*.

⁵ Prahalad, C.K. and Mashelkar, R. A. 2010. *Innovation’s Holy Grail*. Harvard Business Review, July-August 2010, in WFP People Strategy (WFP/EB.2/2014/4-B).

⁶ WFP People Strategy (WFP/EB.2/2014/4-B).

⁷ Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (WFP/EB.A/2016/6(A,B,C,D,E,F,G,H,I,J)/2; WFP/EB.A/2016/5-C/2), June 2016.

⁸ WFP Human Resources Annual Report.

⁹ Internal Audit of Human Resources Management in Country Offices (Report No. AR/16/15), December 2016.

¹⁰ Report of the External Auditor on the Management of Human Resources (WFP/EB.A/2012/6-F/1) dated 3 May 2012; evaluation of the risks associated with the WFP Strategic Plan for 2017-2021 (WFP/EB.2/2016/4-A/1/Rev.2*) adopted in November 2016; register of WFP institutional risks (version dated October 2016); reports of the internal auditor (see report AR/16/15 dated December 2016 on the management of human resources in the country offices).

- 8) **Lack of rigour in human resources management in the field** → threat to present and future effectiveness.
- 9) **Gaps between existing skills and new requirements** → inefficiency.
- 10) **Gaps between existing skills and future requirements** → divergence between WFP strategy and human resources.
- 11) **Potential lack of competitiveness on the job market** → limited attraction for top candidates.

18. In the light of the importance of its human resources and to mitigate the associated risks, WFP published its People Strategy in September 2014.¹¹ Its aim is to foster development, engagement and evolution of the WFP workforce so that it can effectively and efficiently carry out its mission of fighting hunger worldwide, and to prepare it for the long-term objectives. This involved aligning human resources management with the Strategic Plan (2014–2017).

19. This strategy comprises four focus areas divided into 11 initiatives, which are themselves then broken down into actions. The 11 priority initiatives were scheduled for implementation between 2014 and 2016, with expenditure spread until 2017. Over these four years, costs were estimated at USD 17.3 million.¹²

20. The People Strategy set out the following four focus areas:

- “reinforce a performance mindset”: Embed WFP values and behaviours and refresh performance management to recognize and reward good performance, identifying criteria for success and demanding individual accountability.
- “build WFP's talents”: Develop career frameworks and provide opportunities for learning and growth to make WFP a desirable place to work.
- “shift the focus”: Make country-level performance the central focus of WFP, and define long-term projects to ensure that national staff – 82 percent of WFP's workforce – are engaged and provided with opportunities to continue building their capacities in response to operational and strategic organizational needs.
- “equip high-impact leaders”: Mobilize senior leaders, enhance leadership and management capabilities to deliver on WFP's Strategic Objectives, and hold senior leaders accountable.

21. A strategy specific to the human resources function was published in 2015 to define how HRM would contribute to the attainment of the objectives of the People Strategy. The Functional Strategy was intended to effect a shift in HRM, from a division consumed by transactional administrative tasks, which absorbed 80 percent of its time, to one that acts as a strategic partner for field offices and all divisions.

¹¹ (WFP/EB.2/2014/4-B).

¹² WFP's People Strategy (WFP/EB.2/2014/4-B), Figure 3.

22. The People Strategy led to a number of outputs driven by WFP and HRM. The Annual Performance Report for 2015¹³ assessed WFP's progress in the area of human resources management overall as strong. The first two management results – skills and mindset – were assessed positively while the report took a more reserved view of the latter two, due to the lack of adequate measures. This overall progress was reflected in the results of the 2015 Global Staff Survey, with an overall increase of 7 percent in the indicators compared with 2012, and improvements with regard to 92 percent of the questions. Participation in the survey increased by 26 percent (70 percent of the 14,490 employees concerned responded to the survey). However, the results must be distinguished given the disparities in responses among offices and divisions.

23. The table below summarizes the actions under the People Strategy that the External Auditor deems to respond to the leading human resources-related risks.

Table 1. People Strategy response to major risks

	I – Reinforce a performance mindset	II – Build WFP's talent	III – Shift the focus	IV – Equip high-impact leaders
1) Reactive rather than proactive workforce planning		Career framework Job profiles review	Career framework Job profiles review Guidelines for Staffing and Structure Review	
2) Dependence on short-term contracts				
3) Lack of transparency of recruitment and reassignment	Strengthened International staff promotion and reassignment exercise Job profiles review		Career framework Job profiles review	Strengthened International staff promotion exercise
4) Insufficient focus on performance in evaluations	PACE enhancement Revised underperformance framework	PACE enhancement	Homogenization of performance management framework	360° evaluation of the Executive Management Group (EMG)
5) Training policy could be improved		Learning Management System (LMS) improvement and generalisation	LMS improvement and generalisation Online language courses	
6) Insufficient control over local recruitment		Diversity and inclusiveness Strategy Gender Strategy	Diversity and inclusiveness Strategy Guidelines for staffing structure review (SSR)	
7) Increase in humanitarian crises		Emergency Response Roster		

¹³ WFP/EB.A/2016/4.

	I – Reinforce a performance mindset	II – Build WFP’s talent	III – Shift the focus	IV – Equip high-impact leaders
8) Lack of rigour in human resources management in the field			Guidelines for SSR	
9) Gaps between existing skills and new requirements		INSPIRE Programme Leading for Zero Hunger Programme E-recruitment	Leading for Zero Hunger Programme	INSPIRE Programme Leading for Zero Hunger Programme 360 ^o evaluation of the EMG
10) Gaps between existing skills and future requirements	Talent Pool Initiative	Talent Pool Initiative E-recruitment INSPIRE Programme Junior Professional Officer (JPO) Programme	LMS improvement and generalisation	Talent Pool Initiative JPO Programme
11) Potential lack of competitiveness on the job market	Four core capability dimensions	Value proposal Career framework	Local Staff Transfer Project Staff Wellness Division	

Source: External Auditor, based on own risk analysis and the People Strategy.

V. OBSERVATIONS AND RECOMMENDATIONS

1. Follow-up of previous recommendations

1.1. Recommendations of the External Auditor

24. We examined the status of implementation of previous recommendations of the External Auditor not yet implemented¹⁴ and note that, out of 15 recommendations, 14 have been implemented, as indicated in the table in Annex 1.¹⁵

25. We also took into account the draft report¹⁶ of the Secretariat on the implementation of previous recommendations since the last Annual Session of the Executive Board. While 14 of the 15 recommendations are assessed as having been implemented, we find that some of them could be taken further, as indicated in the right-hand column of the table in Annex 1.

1.2. Follow-up of priority recommendations

26. Among the recommendations formulated by the External Auditor in 2012 is one relating to the need to establish performance indicators for human resources management in field offices. This is the only recommendation not formally implemented to date.

1.3. Internal audit observations

27. Recent internal audit reports, in particular “Internal Audit of Human Resources Management in Country Offices”, dated December 2016, were taken into account.¹⁷

2. Workforce

2.1. Total workforce

28. The WFP employed 15,625 people as at 31 December 2016, 3,294 (21.1 percent) recruited internationally and 12,331 (78.9 percent) locally.¹⁸ The total WFP workforce increased from 13,808 in 2012 to 15,625 in December 2016 – an increase of 13.2 percent.

29. The international recruits increased by 34.9 percent between 2012 and 2016, accounted for primarily by consultants, the number of which rose from 656 to 1,417, and to a lesser extent by interns, which increased from 48 to 141. Conversely, the number of International Professional staff remains practically stable (increased by 1.2 percent).

30. The sharp increase in the number of consultants, which is far higher than the increases in International Professional Staff and National Staff combined, does not reflect, at least for managers, WFP’s ambition of offering a long-term career path, since consultants are short-term contractors.

¹⁴ WFP/EB A/2012/6-F/1.

¹⁵ See Annex 1. Summary of the implementation of the recommendations of the previous human resources audit.

¹⁶ That report sets out WFP’s interim progress in implementing recommendations made by the External Auditor in reports to the Board. It comprises recommendations outstanding at the Board’s 2016 Annual Session (WFP/EB.A/2016/6-H/1).

¹⁷ Office of the Inspector General, Internal Audit report AR/16/15.

¹⁸ See Annex 2 - Categories of WFP staff.

31. The number of local recruits has increased by 964 (8.5 percent). The main trends relate to General Service staff (increased by 709 or 29 percent) and Special Service Agreements (SSAs) (increased by 231). Conversely, the number of service contract (SC) holders dropped from 6,244 to 5,776 (a decrease of 7.5 percent). National Professional Officers (NPOs) increased by 45.4 percent – at a rate significantly higher than for all types of local recruits taken together, of whom NPOs accounted for only 7.5 per cent in 2016.

32. For locally recruited employees, the trend was towards a consolidation of positions: the reduction in service contracts of 377 is slightly greater than the increase of 313 in Special Service Agreements, while the numbers of NPOs and General Service staff increased, by 290 and 670, respectively, from which we can deduct the increase of 39 in short-term General Service staff.

33. To summarize, the increase in short-term positions among international recruits goes hand in hand with a trend, albeit limited, towards the consolidation of the status of local recruits.

Table 2. Change in workforce by category, 2012–2016

	2012	2013	2014	2015	2016
Internationally recruited					
International professional staff	1 401	1 336	1 376	1 398	1 418
Int. prof. staff (short-term)	140	155	183	164	173
Junior Professional Officers	47	45	52	49	50
Consultants	656	777	1036	1197	1417
United Nations volunteers	126	123	118	90	90
Fellowship holders	23	13	30	21	5
Interns	48	75	80	175	141
Subtotal	2 441	2 524	2 875	3 094	3 294
Locally Recruited					
National Professional Officers	639	745	766	820	929
General Service	388	376	373	366	355
General Service (short-term)	88	95	118	130	127
General Service field	2 411	2 618	2 767	2 919	3 114
Service contract holders prof.	205	232	252	273	296
Service contract holders GS	6 244	6 184	5 781	5 947	5 776
Special Service Agreement (Headquarters)	2	10	10	8	6
Special Service Agreement Field prof.	138	114	190	221	216
Special Service Agreement Field GS	1 181	942	1 424	1 348	1 412
WFP volunteers	71	55	78	107	100
Subtotal	11 367	11 371	11 759	12 139	12 331
Grand Total	13 808	13 895	14 634	15 233	15 625

Source: WFP-HRM

34. The average length of service has increased in almost all of the major categories, including short-term through renewals:

- International recruits (indefinite appointments [IA], continuing appointments [CA], fixed-term appointments [FT]);¹⁹ 9.5 years at the end of 2016, up from an average of 7.9 years for the period 2012-2016;
- NPOs (FT): 4.3 years, up from 3.7 years;
- General Service Headquarters (FT): 11.6 years, up from 9.5 years;
- General Service Field (FT): 4.8 years, up from 4.1 years; and
- Consultants: 2.2 years, up from 1.6 years.

2.2. The proportion of consultants in the workforce

35. As shown in the table above, the number of consultants in WFP has more than doubled in four years, from 656 to 1,417. There are now as many consultants as there are International Professional Staff members. The proportion of internationally recruited employees accounted for by consultants rose from 27 percent to 43 percent, while that accounted for by international staff decreased from 65 percent to 50 percent. The trend is even sharper in Headquarters,²⁰ where in 2016 consultants accounted for more than half, at 52 percent, and international staff for only 41 percent, of international recruits.

36. The 2014 report²¹ of the Joint Inspection Unit notes that the use of “non-staff” personnel is widespread in the United Nations system, but considers that, by creating two categories of personnel to carry out identical functions, organizations were failing to respect good practices of international labour law and “faced reputational risks, high turnover, a lack of stable and motivated personnel and a potential increase in legal challenges owing to the inappropriate use of non-staff personnel”.

37. This report recommended that the management in these organizations should re-examine their policies and clarify the criteria distinguishing staff from non-staff roles.

38. Among the criteria often cited to justify the employment of non-staff, we find in particular the need to have available specialists to work for limited periods and to meet a significant and temporary peak in activity.

39. The expanding number of emergency situations facing WFP in recent years could explain the existence of immediate needs, in particular due to the increased number of Level 3 (L3) crises requiring the rapid deployment of additional resources.

40. The trend of employing such specialists for extended periods of time indicates, however, that the demand for their expertise goes beyond short-term situations.

¹⁹ Indefinite Appointment (IA); Continuing Appointment (CA); Fixed Term (FT)

²⁰ Including liaison offices.

²¹ Use of non-staff personnel and related contractual modalities in the United Nations system organizations – country case studies: Democratic Republic of the Congo, Haiti and India (JIU/REP/2014/8).

41. The human resources manual specifies that consultants may be employed for a maximum of 11 months, which can be renewed after a one-month break, with a maximum total duration of 44 months. According to data provided by WFP, the average duration of a consultant position is 2.2 years. However, the use of the same consultant may at times extend over a much longer period, a finding confirmed by the analysis of a sample of individual consultant files (see below).

42. The situation was even more marked in Rome, where consultants accounted for 39 percent of Headquarters personnel, or 657 out of 1,686 people, as at 31 December 2016. Some senior management roles are assigned to consultants even though the nature of such positions is that they continue regardless of variations in the total workforce.

43. Nonetheless, Headquarters structure and resources are, in principle, less subject to sudden variation than those of country offices, which may have to rapidly expand or reduce their workforce in response to crises.

44. Interviewees provided a range of reasons to the external auditors:

- Member States do not wish to increase the numbers of International Professional staff, preferring to leave it to WFP to recruit other categories of personnel using its operational budget;
- Though they are improving, the procedures for recruiting International Professional staff remain protracted. In 2015, it took an average of 192 days from the approval of an external recruitment to the approval of the selected candidates, bearing in mind that this timeframe does not include either the period from the initial request from the hiring department or the time for the selected candidates to take up their duties, which may be significant should they have to serve a notice period with a previous employer;
- With contracts of a very limited duration, it is easier to reduce employee numbers when necessary than if they had international staff status. In the case of such international staff, the elimination of a post or separation for underperformance require extremely compelling reasons, may involve complex internal discussions and can lead to lengthy and difficult appeal processes.²² However, these procedures are rare exceptions;
- Contractors do not receive all the benefits that International Professional staff enjoy, nor do they receive adjustments for changes in the cost of living, making them, in most cases, less expensive overall (see the study below).

45. In practice, there is notable gap between:

- the principles according to which permanent positions should be held by permanent officials of the United Nations, while clearly temporary positions should be filled by employees on a temporary basis; and
- the reality whereby, for some or all of the reasons outlined above, employees are recruited on short-term or consultant contracts to fill permanent positions.

²² A review of a relevant sample of judgements from the Administrative Tribunal of the International Labour Organization shows that it can commonly take five years or longer between a measure being taken by an organization and the issuance of the Tribunal's final judgement. See, for example, its judgements 3757 (February 2017), 3725 (October 2016) or 3723 (November 2016).

46. This issue goes beyond WFP, affecting many other organizations.

47. Work needs to be undertaken to reduce the gap between the principles and reality, whether this should involve ceasing to recruit – if at all possible, including in financial terms – on temporary contracts to fill long-term positions, or clarifying the principles, with the introduction of an accepted distinction between different categories of staff employed to fill positions of the same type.

Recommendation 1. The External Auditor recommends, in accordance with the recommendations of the United Nations Joint Inspection Unit, clarifying the criteria for recruiting each category of employee with a view to aligning practice with stated principles.

3. Sustainability of personnel costs

3.1. Overall developments

48. In 2016, WFP's personnel costs totalled USD 716 million,²³ including expenditure against Programme Support and Administrative (PSA) appropriations and direct support costs funded by programmes.

Table 3. Personnel costs (in USD millions)

	2012	2013	2014	2015	2016	Change 2016/2012
Salary and allowances	541	566	589	597	628	+16,1%
Other entitlements/incentives	47	46	49	52	46	-2,1%
Staff long-term benefits annual expenses	36	34	121	37	42	+16,7%
Total	624	647	760	686	716	+14,7%

Source: WFP - HRM

49. Total expenditure has increased by 14.7 percent in four years, an average increase of slightly over 3.6 percent per year. In four years, personnel costs have grown at a much slower rate than WFP's total budget, which has increased by 38.5 per cent (from USD 4,044 million to USD 5,600 million). The proportion of the budget spent on personnel costs has thus fallen from 15.4 per cent to 12.8 percent.

50. Even with a reduced provisional budget for 2017 of USD 5,200 million, according to the assumption in use at the time of the audit, the proportion devoted to personnel costs, remaining unchanged in absolute terms at USD 716 million, would still represent a reduction, at 13.8 percent of the budget.²⁴

²³ Excluding travel expenses. Including such expenses, 2016 personnel costs total USD 826.4 million, according to the Financial Statements.

²⁴ It should be noted that the calculation of staff long-term benefits is significantly impacted by the discount rate used, which is currently low. A significant downward revision of this rate would decrease the cost of these commitments. Despite this, their relatively low proportion of the total nonetheless indicates that this would not call the overall analysis into question.

51. Accordingly, while funding remains volatile since it is based on voluntary contributions, **over the period examined, personnel costs, despite a sharp increase, did not threaten WFP's budgetary balance thanks to a sharp increase in overall resources.**

3.2. Cost per employee

52. It is not easy to calculate the costs in terms of the number of employees because personnel figures are recorded using either the number of employees present as at 31 December or the total number of those who received remuneration, even for a single month, during the year. The number of full-time equivalent staff is not recorded.

53. As an approximate calculation, the proportion of personnel costs to employee numbers as at 31 December each year was as follows:

Table 4. Average costs per employee

	2012	2013	2014	2015	2016
Staffing expenditure in USD million (1)	624	647	760	686	716
Staff numbers as at 31 December (2)	13 808	13 895	14 634	15 233	15 625
Average cost per person in USD (1)/(2)	45 191	46 563	51 933	45 033	45 824

Source: WFP - HRM

54. The approximate cost per person increased from USD 45,191 to USD 45,824 in four years, a total increase of 1.4 percent.

55. This slight increase can likely be attributed to the plateau in the number of International Professional staff, who are the costliest, and to the increased proportion of consultants and NPOs.

56. As such, the main staff expenditure line, in this case "salary and allowances" for international employees (including those on short-term contracts), remains stable or decreases slightly over the period, from USD 275 million to USD 274 million.

3.3. Special assessment of consultants

57. Over the period analysed, the cost of salary and allowances for consultants doubled from USD 40.3 million to USD 78.0 million, while their share of other expenditure categories remained very low.²⁵

58. The rates currently used by WFP to pay its consultants were defined in 2009. As WFP considers that these rates are insufficient to attract the skills it needs in some areas, the HRM Division recently made a review and proposed new ones, which had not been approved yet by Management at the time of concluding this audit. The review of the rates was carried out by taking into account those applied to consultants by other organizations which had adjusted these rates in 2013.

²⁵ "Travel and other incentives" in 2016 for consultants totalled USD 0.1 million compared to almost USD 30 million for approximately the same number of "international staff" as at 31 December.

59. In its report dated 5 January 2017, which was commissioned by WFP and was not public at the time of the audit, the Korn Ferry consulting firm compared the rates envisaged by WFP to those of the market and concluded that WFP consultant compensation rates would then be significantly above market rates for most categories and countries – notably Italy, where most of the consultants were located.

60. The report showed that, for Headquarters, total after-tax remuneration by grade would exceed the median labour market rate by between 27 percent and 119 percent. Similar or higher disparities were reported in countries other than Italy (excluding the countries offering the highest remunerations). The least significant disparities were for high-level managers.

61. In addition, the report indicated that the general practice of most of the non-profit organizations was to pay their consultants below the market rate, with remuneration between the first quartile and the median. While it seems legitimate to compensate somewhat more an employee holding a short-term contract, the report notes that this practice would appear sufficient to attract suitable candidates and that it would save between USD 30,000 and USD 60,000 per consultant and per year compared to the rates envisaged, which is equivalent to almost three quarters of the corresponding total cost.

62. Assuming the lower end of this range, USD 30,000 per consultant, the savings for 1,417 people would exceed USD 45 million.

Recommendation 2. The External Auditor recommends that remuneration for newly recruited consultants be thoroughly reviewed to better align it with market practices, while maintaining it slightly above market rates to attract the best candidates when needed.

3.4. Payroll administration

63. Payroll administration is divided among:

- the Headquarters payroll department in Rome for international Professional staff, Headquarters General Service staff, liaison offices staff, consultants and the few people employed at Headquarters on SSAs;
- the United Nations Development Programme (UNDP) for locally recruited fixed-term staff (NPOs and GS);
- field offices themselves for their temporary staff (service contract holders, SSAs and temporary workers).

64. No Headquarters departments were in a position during the audit to provide immediately further details on total personnel costs. These figures are generated only once per year, for the issuance of the financial statements.

65. This situation, a result of the highly decentralized way WFP works, reduces Headquarters' functional dashboard capacity – for example, when required to provide guidance having financial implications for field offices, such as improving conditions for locally recruited staff (health, contract consolidation, etc.).

Recommendation 3. The External Auditor recommends that, at regular intervals – for example quarterly – a synthesis of the main components of all WFP-financed payroll be made.

4. Needs planning

66. In 2012, the External Auditor highlighted the weakness of the SSR. Conducted voluntarily by regional bureaux and country offices, an SSR should be carried out in the event of any “major”²⁶ change in the country requiring a staffing increase or reduction. In practice, it is a tool very often used whenever funding uncertainties arise, with no real short- or medium-term strategic review of the office's work in the field.

67. Since 2012, HRM has sought primarily to support field offices in this exercise, using more precise tools and guides. A new manual, updating the tools published in February 2015, is being finalized. The SSR guidelines include details such as the management structure to be implemented, an indicative timetable and a general methodology for each stage of the exercise. These tools are well designed and give clear indications (including model documents).

68. Regional bureaux and country offices have a great deal of freedom in choosing whether to carry out an SSR, and the terms of reference of the exercise are not clearly defined. The definition of a “major” change that affects the staffing structure, and which should therefore trigger an SSR exercise, is not precisely set out, although multiple scenarios are set out in the guidelines. As such, it is difficult to assess whether or not an office should carry out this exercise, and whether it was conclusive.

69. Staffing reviews are neither systematic nor mandatory. An examination of quantitative data on SSRs shows that the exercise is carried out in a very unequal fashion:

- some offices – Egypt, Indonesia, Iraq, Syrian Arab Republic, Zimbabwe and the Cairo Regional Bureau – carried out at least two SSRs between 2014 and 2016;
- other offices – Algeria, Djibouti, Guinea, Mali, Nigeria, Peru, Tunisia and Ukraine – performed either one or no SSR during those three years.

70. The sample of 15 SSRs examined by the auditors revealed that the end product was extremely variable. In the Congo, the result was a series of organizational charts of the field office's various departments, highlighting empty positions or those to be abolished. As regards the Legal Office at Headquarters, which had to identify redundant positions with a view to reducing staffing levels, the SSR involved describing filled posts and meeting with the holders of these posts to come up with an in-depth description of the tasks they perform and the skills required. In the United Republic of Tanzania, the SSR exercise involved contacting an external provider to help find employment for incumbents of abolished posts. In the case of Mali, the SSR exercise was accompanied by a geopolitical analysis of the area of operation in order to provide a forward-looking vision of the office's future needs.

71. Moreover, Headquarters' control over the exercise is weak, neither monitoring the completion of the exercise, nor being among the recipients of the final product. Without interfering in how SSRs are carried out, Headquarters could maintain a dashboard displaying the various SSRs under way in order to monitor progress and better support offices requiring assistance.

72. Without calling into question the decentralized system for human resources management, Headquarters could at least seek to monitor SSRs more closely since they offer useful information on human resources in field offices and could contribute to forward planning of positions, staffing and skills.

²⁶ See Staffing Structure Review guidelines.

Recommendation 4. The External Auditor recommends: a) that Headquarters and regional bureaux exercise greater supervision over staffing structure reviews, in particular to mitigate the significant disparities in the resources available for human resource management in the field; and b) that these reviews be made systematic for all country offices and regional bureaux every two or three years and that they lead to a concrete action plan with a set timetable.

73. The 2012 external audit noted with concern the lack of a framework for planning staffing levels. Such a tool has still not been implemented, despite the fact that WFP is facing increasingly intense operational and financial constraints and that the skills it requires are changing along with the nature of its work. In this context, WFP should adopt a medium- and long-term strategic vision of its needs that combines required skills and profiles together with appropriate workforce numbers for different situations. Such a forecasting and planning tool does not exist yet but should be developed in 2017.

74. Without neglecting the challenges of operating in an uncertain environment with fluctuating resources, such a forward-planning tool is indispensable. WFP cannot only turn to the recruitment of new skills when needs arise and to the non-renewal of contracts when needs dissipate. Such an approach could prove financially very costly and harm productivity because new external recruits will not necessarily be immediately operational. Investing in people with high potential could prove more effective and economical. This tool should therefore include a forecasting aspect (which would include several scenarios based on geopolitical data pinpointing potential food crises) and a baseline scenario allowing WFP to operate effectively at a normal or standard level of activity. In addition, this tool should work in conjunction with SSR exercises carried out in the field.

Recommendation 5. The External Auditor recommends the establishment of a framework for workforce and skills management planning closely linked to staffing structure reviews at the local level.

5. Recruitment

5.1. Recruitment procedures

75. Recruitment and assignment procedures differ according to the status of employees.²⁷ WFP makes a distinction between staff members and non-staff, who are short-term employees; management staff can also be distinguished from operational staff.

76. The human resources manual²⁸ sets out a formal system for the selection of international and national staff members (NPOs and GS) intended to ensure that recruitment is competitive and transparent. Conversely, procedures for non-staff recruitments are much more flexible, originally based on the idea that they meet short-term needs. The recruitment of consultants, growing sharply within WFP, is not subject to any formal procedure: there is no requirement to issue a call for applications, and in practice it is very rare, and there is no documentation to track the recruitment or prove its objectivity.

²⁷ See Annex 2 - Employee categories at WFP.

²⁸ See Annex 3 - Recruitment procedures.

77. The use of e-recruitment is a stated priority in all strategic documents. The number of calls for application posted online for all job categories increased significantly over the period examined, from 133 in 2012 to 872 in 2016, with a total of 2,510 positions posted on StaffNet. The total number of online applications exceeded 220,000, giving an overall recruitment rate of 1.4 percent. Almost 32,000 applicants were short-listed for the selection process and the overall recruitment rate²⁹ is 8 percent. These numbers demonstrate that WFP is highly attractive.

5.2. Recruitment trends

5.2.1. High contract numbers

78. Only international and national staff members receive fixed-term contracts. The recruitment of national staff members in regional bureaux and country offices accounts for much of the sharp increase in such contracts – by 65 percent – between 2013 and 2016.

79. The growth in the signing of short-term contracts seems slower (increasing by 25 percent over the same period) but is ten times higher at almost 7,000 such recruitments in 2016 compared with 650 on long-term contracts. Staff members account for just 8.2 percent of all new hires over the period examined.

Table 5. Share of long-term contracts in the total number of new hires (%)

	2012	2013	2014	2015	2016	Average
Long-term/total new hires	6.6	10.2	8.2	7.5	8.5	8.2

Source: External Audit calculations based on WFP data.

5.2.2. Effective turnover of international staff

80. The recruitment data provided by WFP is expressed in terms of number of “contracts signed”. This is raw data that does not correspond to actual new hires, since it includes contract renewals during the year.

81. For International Professional staff, re-employment accounts for more than half of the total (on average 56 percent of all recruitments in this category between 2013 and 2016). Of the 372 recruitments of International Professional staff signed between 2013 and 2016, only 163 involved actual new hires who underwent a competitive process involving publication of the position, evaluation and interview.

82. External recruitment is permitted only when a position could not be filled through two consecutive reassignment exercises, with the exception of deployments to L3 situations where fast-track procedures may be applied. It may also be permitted as soon as a position becomes vacant for which WFP anticipates a lack of the appropriate skills internally, including for newly created positions.

²⁹ Number of positions/number of qualified candidates.

Table 6. International professional staff – Net recruitment

	2013	2014	2015	2016	Total for period
Gross recruitments	62	105	102	103	372
Of which employees already present	23	67	69	50	209
% of total recruitments	37%	64%	68%	49%	56%
Net recruitments	39	38	33	53	163
% of total recruitments	63%	36%	32%	51%	44%

Source: WFP – List of International Appointments 2013–2016.

83. The same observation is made for consultants, and the effect is even more significant. According to the annual data provided, the overall recruitment of consultants between 2013 and 2016 totalled 7,628 contracts, but only 1,411 of these (18.4 percent) represented new hires — made, moreover, without any official obligation of transparency and selectivity.

84. This effective turnover rate, which is much lower than the number of contracts signed, leads to the observation that the recruitments conducted by WFP are much less competitive than they first appear. **Scarcely 20 percent³⁰ of contracts signed between 2013 and 2016 at the international level were for new hires and just 10 percent³¹ of these new hires underwent a competitive recruitment process.**

85. **The renewal or extension of employment, whether of international staff or contractors, when the employees concerned have proven their professional competence is not in itself subject to criticism: the applicable rules are strictly respected. Nonetheless, the almost systematic nature of this practice does not ensure that recruitments are competitive or that they offer the opportunity to attract the best candidates, despite strategic commitments in that regard.**

86. In addition, the extremely frequent use of fixed-term contracts for employees, whether staff or non-staff, generates a considerable administrative burden in the renewal of contracts. This extra workload, shouldered by HRM teams, runs counter to strategic commitments to refocus Headquarters human resources capacity on strategic functions away from purely administrative tasks.

5.3. Analysis of individual recruitment records

5.3.1. Sample of international staff recruitment

87. A total of 45 individual records were examined: 11 from 2013, 10 from 2014, 11 from 2015 and 13 from 2016. They comprise new hires, reappointments, extensions and conversions of pre-existing appointments. The sample covered the range of grades from P1 to D2 and included Headquarters and field positions, with equal numbers of men and women.

88. The purpose of this review was to analyse the publication and selection processes and the recruitment timelines.

³⁰ (163+1,411) new hires / (372+7,628) contracts signed.

³¹ 163 / (163+1,411).

89. Recruitment procedures comply with the rules, reproduced in the Annex;³² transparency and traceability of the procedure are guaranteed by the Selection Recommendation Reports produced by the panel. The selection criteria and the determining factors in the final selection are clearly explained. These reports are usually attached to each individual record; however, 11 reports out of the 45 records examined were missing.

90. The period between the start of the recruitment procedure — the recruitment authorization — and the signature of the contract — the time at which the position is assigned — is always longer than four months. WFP succeeded in meeting its stated target of 180 days, or six months, for the samples from 2014 and 2015.

Table 7. Average time required to assign a position³³

Year	Number of days	Equivalent in months
2013	214	7.1
2014	177	5.9
2015	177	5.9
2016	205	6.8

Source: Sample of 45 records selected by the External Auditor

91. However, the total time between a vacancy arising and the entry on duty of the recruited candidate is not tracked, despite what can be significant additional delays. The time elapsed between the notification of selection and the candidate taking up the position varies for each case, averaging 54 days (but has been up to 10 months for a country director).

5.3.2. Sample of consultant recruitments

92. The selected sample, comprising 15 records, intentionally comprised a majority of consultants recruited for 11 months (8 of the 15) during 2015 and 2016. Given the sample size, the exercise had no statistical objective but sought to assess the effectively “continuous” nature of the duties assigned to consultants.

93. Of the 15 records selected, only two involved new hires; the other 13 had been with WFP continuously for an average of seven years. One of the consultants had worked continuously for WFP since 1989, for 28 years. This specific case, randomly selected, involved an initial recruitment lasting 1.4 months.

94. Even excluding this somewhat unique case, the average time in the position preceding the contract examined was 5.3 years.³⁴ This average is not statistically representative but reveals that the principle of using consultants for occasional needs is not being applied.

³² See Annex 4 - Promotion and reassignment process.

³³ The average time is calculated between the date of authorization of external recruitment and that of the letter of appointment when data are available; otherwise, the date the procedure begins corresponds to the posting of the vacancy announcement and the end date corresponds to the date of the letter of appointment.

³⁴ Excluding mandatory breaks between two contracts.

95. The records of the consultants did not contain any information concerning the recruitment procedure, the terms of selection or any information on the applications received. Previous and subsequent contracts, as well as performance evaluations – all fully satisfactory or exceptional – are contained in the records. The CV and the job description are also provided. Overall, the profiles are suitable, but if qualifications and references were checked, there is no record of this. The only official document is the Request for Extension (HR-071), systematically attached to the record, which may contain a brief note justifying the request. The only recruitment more extensively documented was conducted in cooperation with the International Fund for Agricultural Development (IFAD) and the Food and Agriculture Organization of the United Nations (FAO).

96. As the External Auditor highlighted above, WFP should review its employment and recruitment model for senior international positions, including consultants, in order to establish a system that meets operational needs for flexibility and efficiency but observes the principles governing the employment of personnel with donated public funds.³⁵

Recommendation 6. The External Auditor recommends the establishment of a procedure for recruiting consultants that includes an open call for applicants and a competitive selection process; exceptions would be made in an emergency but would require authorization.

Recommendation 7. The External Auditor recommends that it be ensured that recruitment records contain all necessary documents to allow for the monitoring of compliance with procedures and the quality of procedures.

6. Performance evaluation and performance management

6.1. The performance management system

6.1.1. A modernized tool

97. The 2012 external audit recommended the consolidation of the WFP performance management system. It recommended the following: the establishment of human resources performance indicators in field offices; systematic 360° reviews for assignment to posts at the P5-level or above; and the verification of the implementation of PACE evaluations with a view to encouraging field offices to be more meticulous about this procedure.

98. Since then, WFP has made the performance review one of the cornerstones of its human resources strategy,³⁶ with the top priority area being to “reinforce a performance mindset”.

99. Since 2004, WFP has been developing the PACE tool to evaluate employee performance. It is a computer platform used for annual reviews of employees. Several guides for managers have been developed to assist them with this system and to make the performance review a fundamental element of WFP culture.

³⁵ See Recommendation 1.

³⁶ WFP People Strategy 2014-2017, then 2016-2018 and WFP HR functional strategy.

100. From a quantitative point of view, the PACE system has grown. It now covers all international and national staff and consultants. However, SC and SSA contracts – representing 49.3 percent³⁷ of WFP employees – are not covered; for them, management remains entirely manual. Furthermore, the response rate has improved considerably, reaching 97 percent in 2015 compared to 64 percent in 2011.

101. Despite this progress, supervision by Headquarters in Rome remains weak. HRM responds to such observations that its role is not to "control" the evaluating officers; this tool, like all those provided by this support division, is above all intended to support professionals in the field. However, HRM could consider certain tools that would help it to ensure that PACE reviews are conducted correctly in terms of quality by managers, whether they are first- or second-level supervisors. **These supervisors could therefore be evaluated on their ability to correctly conduct the PACE procedure for their teams using performance indicators that assess the quality of their commitment. One of the indicators could be the number of individual interviews conducted during the year.**

102. According to the sample of 20 PACE files examined by the external auditors, the various phases of the review are subject to detailed comments from the first level supervisor, while the comments from the second-level supervisor are more limited. In terms of substance, the remarks remain fairly general. Failures or weaknesses of employees are rarely mentioned and the tone is often extremely positive.

103. This leads us to question the actual effectiveness of PACE in assessing the skills of employees. An examination of the results obtained in some regional bureaux or at Headquarters suggests that the system is not taken full advantage of to critically appraise the quality of the work performed:

- in the Regional Bureau in Bangkok in 2015, of 838 employees, only one received an "unsatisfactory" rating, while 90 percent of employees were deemed outstanding or successful;
- in the Nairobi Regional Bureau, no employee was found to have an "unsatisfactory" or "partially achieved" rating in 2015;
- at Headquarters in 2015, of 851 employees who underwent PACE review, none had an "unsatisfactory" rating and only one received a "partially achieved" rating;
- on 15 February 2017, just a few days from the closure of the 2016 cycle, HRM indicated that it was aware of two "unsatisfactory" and 23 "partially achieved" cases.

104. Moreover, insufficient use is made of quantitative performance indicators in evaluating employees. HRM has produced job profiles providing a standardized classification of the various grades, positions and related assignments. In this regard, standard and measurable performance indicators could also be developed to strengthen the performance evaluation system and equip the network with further staff-evaluation tools. **Lastly, WFP could undertake an analysis of the potential value in making a portion of staff salary variable; such a tool is not yet in place. This could be applied initially to managers.**

³⁷ 7,706/15,625.

6.1.2. Initiation of a new policy for managing underperformance

105. According to audit respondents, the issue of underperformance has not been adequately addressed for a long time at WFP. In May 2016, WFP decided to introduce a new policy, the main elements of which were set out in an Executive Director directive.³⁸

106. In addition to the directive, several guides and tools were provided to managers working in the field as well as to employees to raise awareness about this issue. Nonetheless, in 2015, of approximately 4,900 employees reviewed, only nine had received an “unsatisfactory” rating.

107. In such cases, an appeal procedure is available, in addition to the standard procedure for appeal to the Executive Director.

108. To take a more active response in managing underperformance, WFP has established a stricter procedure for separation: following an “unsatisfactory” PACE review (and no longer after two consecutive such reviews) a personal improvement plan must be defined with the employee. This plan lasts for six months, after which if no improvement has been observed, a separation procedure may be initiated. Before this new procedure was implemented, only one employee, in 2013, had been separated for “unsatisfactory” performance.

109. Similarly, as of May 2017, employees receiving an “unsatisfactory” rating will forfeit, for one year, an automatically granted bonus, the within-grade step increment.

110. **It is still difficult to assess the impact of this procedure and its various tools since they were only very recently put in place. However, they demonstrate WFP’s willingness to address this issue more effectively.**

Recommendation 8. The External Auditor recommends a medium-term analysis of the possibility of introducing partial performance-related pay for managerial staff.

Recommendation 9. In order to strengthen the performance assessment mindset among WFP employees, the External Auditor recommends that WFP continue its work communicating with and raising awareness among employees, especially line managers, to encourage them to implement this assessment procedure effectively. As such, performance indicators intended to measure the quality of the assessment carried out by line managers could be envisaged.

Recommendation 10. The External Auditor recommends that a sample of PACE assessments regularly undergo internal audit to enable the Human Resources Division to carry out more qualitative monitoring and better target areas for improvement.

6.2. Promotion of P1 to P4 level staff

111. In 2012, the External Auditor determined that human resources decisions were inadequately recorded in WFP’s IT system, which could create a climate of suspicion around the criteria for awarding promotions. In addition, the auditors found country offices and regional bureaux to be insufficiently prepared to correctly manage and support staff.

³⁸ OED2016/008.

112. The procedure for the promotion of employees in categories P1 to P4 was amended in 2013, including to incorporate a two-stage talent review and taking better into account an employee's potential and past performance.³⁹

113. The external audit team examined the documentation made available to regional bureaux and country offices to carry out the various review exercises and found it to be robust and detailed, including, for example, a guide for managers on debriefing candidates not selected for promotion. However, the training unit indicated that managers still lacked training in the review method.

114. Since the changes put in place in 2013, the promotion procedure for categories P1 to P4 is better managed and more transparent. It allows for broad consultation with direct and indirect supervisors through a two-tier evaluation system in addition to the PACE evaluation system.

115. The statistics available show that few staff receive promotions, confirming that promotions are not systematic.

Table 8. Summary of promotion exercises for P1 to P4 employees since 2013

	Total staff (P1-P3)	Number of eligible staff	Number of staff put forward to the Professional Promotion Panel (PPP)	Number of staff recommended by the PPP	Number of staff effectively promoted	% of eligible candidates promoted
2013	687	535	150	87	87	16%
2014	594	496	136	71	72	15%
2015	N/A	N/A	N/A	N/A	3	NA
2016	635	461	120	71	74	16%

Source: WFP - HRM

116. Almost 90 percent of individuals selected by the promotion panel (that is, before the final decision of the Executive Director) had between five and fifteen years of seniority. Only 10 percent of individuals recommended by the panel had fewer than five years of seniority. Thus promotions from one grade to another occur relatively rarely in one's career. In light of this observation, HRM indicated that the great majority of international staff retired at level P3 or P4, given that the number of positions at the P5 level and above is very limited. Furthermore, the number of people recruited at level P1 is very small. The majority of careers at WFP therefore develop between grades P2 and P4, which limits the possibilities for promotion.

7. Workforce deployment

7.1. The reassignment process

117. International professional staff must change position every two to four years based on a scale established by the International Civil Service Commission that takes into account the grade and security level of the most recent assignment. The process occurs annually but may be initiated at any time for some positions vacated during the year.

³⁹ See details in Annex 4.

118. According to the 2015 progress report, 733 vacant positions were posted, 3,323 applications were processed (given that one employee applies for several positions), and the Staffing Committee (for both professional and senior levels) met ten times to review the applications. This procedure relies heavily on HRM teams.

119. The reassignment process underwent several changes since 2012 with a view to making it more transparent and effective.⁴⁰ The process is now better managed and monitored in the human resources IT system. Through the implementation of a single platform for managing different stages of career progression (reassignment, promotion and evaluation), the decisions are traced and all managers have the same level of information to inform their decisions.

120. A procedure has been established for appeals to the Staffing Committee (within 15 days following notification) as well as a system allowing individuals not assigned one of their choices to receive feedback from the staffing coordinator. **However, the wording is relatively vague and does not state whether such feedback is mandatory or must be tracked.**

7.2. The process applicable for P5 and D1 promotions

121. Promotions for grades P5 and D1 are granted through a reassignment process with the granting of a post at a higher grade. Candidates for reassignment to positions at grade P5 and above are chosen from a pool of staff already assigned to these grades or holding a Leadership Pool membership at the corresponding grade.

122. This procedure underwent reform from October 2015,⁴¹ with the aim of improving the objectivity of the appraisal of the candidates' performance through a two-tier internal review in addition to an external review performed by a career development centre. The aim was to cover technical and general leadership skills together.

123. It is as yet difficult to assess the impact and effectiveness of this recent reform. On the face of it, the procedure is nonetheless more formal and the use of an external review will improve its objectivity to gauge the skills required for management positions. The procedure is now entirely digitized, which allows for the various evaluation stages of the review to be documented and the same level of information for each applicant can be communicated to the Senior Staffing Committee.⁴² The Talent Review Tool is a clear and user-friendly interface, intended for candidates and those reviewing them alike, allowing the promotion process to be followed step by step.

124. Following the meeting, a decision "memo" is issued and signed by the Executive Director, who then notifies the individual of his or her reassignment, or through the Director of Human Resources for cases of inclusion in the Leadership Pool.

7.3. The emergency response roster

125. WFP operations are facing an unprecedented number of emergencies. As at 15 February 2017, WFP was deployed in six L3 operations, which is the highest level of emergency: Iraq, Nigeria, South Sudan, Southern Africa, the Syrian Arab Republic and Yemen.

⁴⁰ See Annex 4 for details.

⁴¹ The reform is explained in the directive OED2015/018 of 1 October 2015.

⁴² Application form, CV, PACE, result of first- and second-level reviews, CDC report.

126. The operational response to emergencies requires a massive increase in the number of operators in dangerous areas within very short timelines. This is why in 2014 WFP introduced the principle of an emergency response roster (ERR). This roster's aim is to have a permanent supply of trained individuals able to act within 72 hours, regardless of their current duties, to supplement individuals already deployed in the field. It is open to all employee categories and is renewed each year. Candidates undergo evaluation by supervisors at multiple levels with regard to specific criteria and must have experience in an emergency situation.

127. The staff emergency deployment method was tested when level L3 was activated in Yemen in July 2015.⁴³ According to the internal audit report published in April 2016 on this country office, the change of scale was not followed up by the necessary actions, an issue that can be partially explained by gaps in the roster.

128. That report was specific in scope and did not lead to conclusions applicable across all operations. However, several major flaws in terms of staff deployment were identified:⁴⁴

- employees did not receive appropriate training for the operational context;
- the temporary loan of staff between offices was difficult in practice due to the reluctance of country directors to allow their staff to leave;
- adequate working conditions were not in place, which led to many delays, particularly in staff turnover; and
- recruitments approved to support the scaling-up of an operation were not completed in time. Thus during the entire period under review in the audit, there was no head of the operation's logistics unit. Similarly, no security manager was recruited within the satisfactory timeframe.

129. The table below shows that the members of the roster did not make up the majority of those employees deployed as temporary reinforcements to L3 crises.

Table 9. Proportion of employees from the emergency response roster and employees deployed from elsewhere

L3	ERR deployment	Total deployment
Iraq (Mosul surge)	12	29
Nigeria	39	45
South Sudan	31	Not available
Southern Africa	42	76
Syrian Arab Republic	17	Not available
Yemen	19	52

Source: WFP-HRM

⁴³ Previously in L2.

⁴⁴ Report no. AR/16/13

130. Beyond the number of employees available for emergency deployment lies the question of their distribution. The data below shows that of the 472 current members, the roster contains just 48 international professional officers (10.1 percent), while employees on temporary contracts (SC-SSA) make up over one quarter of the total number (28.6 percent). During interviews, WFP managers said that some employees on fixed-term contracts saw participation in this roster as a way of improving their chances of obtaining a long-term employment or further career opportunities.

Table 10. Composition of the roster since 2014

	2014	2015	2016
International Staff (P1 to P5)	90	50	48
CSTs	71	58	54
UNVs	30	11	10
National officers (A to C)	149	137	98
General service (2 to 7)	223	225	127
SCs	185	160	126
SSAs	2	2	9
Total	750	643	472

Source: WFP-HRM

131. In order to rebalance the employee categories deployed in the field, WFP is currently considering the possibility of creating a leadership roster made up of international management-level employees of grades P5, D1 and D2. This would allow for the diversification of skills deployed to these highly specific operations. This idea is still in the planning phase, awaiting the endorsement of the Executive Director. WFP is also considering the possibility of creating an inter-organization roster, which would bring staff from governmental bodies (French Development Agency [AFD], Department for International Development [DFID], etc.) or non-governmental organizations (NGOs), but discussions are only in the preliminary phase. A consultant roster has also been established.

Recommendation 11. The External Auditor recommends that the leadership roster be finalized swiftly in order to diversify the categories of staff deployed to the field and thereby ensure the effectiveness of emergency response operations.

8. Policies to assist locally recruited employees

8.1. The local staff transfer project

132. Locally recruited employees account for almost 80 percent of the WFP workforce. Improving their status and working conditions was considered by management to be a major goal of the human resources policy. The topic is an old and recurrent one. The actions introduced until early 2016 took place mainly over two periods:

- in 2005, WFP converted employees who had held service contracts for more than five years on to fixed-term contracts, which only affected a limited number of employees; and
- in 2014, the administration of 3,600 staff contracts (NPOs and General Service staff) was transferred from UNDP to WFP under the local staff transfer project. The employees concerned received improved health coverage.

133. In 2013, The Boston Consulting Group carried out a study on converting the status of service contract holders onto fixed-term contracts.

134. It concluded that the operation was feasible, with an estimated cost of USD 17.5 million, or 4.1 percent of the staffing expenses of country offices. It proposed several savings initiatives to offset this cost, including outsourcing some activities, dismissing underperforming employees – a sensitive subject – and converting 10 percent of SCs into SSAs (shorter contracts). However, this last point was contrary to the goal of the approach.

135. The project was developed further in two countries. A detailed study was carried out in Ethiopia. It was not implemented, partly due to the extra cost inherent to the operation and the significant reduction in the office's financial resources. The new office director is currently looking at the possibility of resuming the project, even in a less ambitious way.

136. In Honduras, a much smaller office but with stable resources, the approach implemented diverged somewhat from the plan as while some service contracts were converted into fixed-term contracts, others were converted into SSAs, which goes against the initial goal of consolidating conditions.

8.2. The National Staff project

137. The Executive Director announced her wish to resume this project at an all staff meeting. A memorandum issued in April 2016 established several objectives.

8.2.1. Study on converting service contracts into fixed-term contracts

138. More than half of employees with service contracts and SSAs have worked at WFP for more than three years. Such a duration is not consistent with the definition of these statuses given in the service contract user guide and the WFP Guidelines for the use of SSAs in field-based offices approved by the Executive Director:

- “The SC is intended for engaging individuals (...) for temporary functions determined to be limited and for specific periods such as emergencies, special operations and programme activities with a limited duration”.
- “The SSA is suitable for activities that are of less than six months duration or activities which will not be extended beyond eleven months”.

139. Beyond the legal or ethical considerations, some country office managers believe that the fact that the service contract status is precarious is one of the reasons why employees leave for other jobs, including in other United Nations organizations or NGOs. This is the case for example in Jordan, a country with high demand from international organizations and NGOs given the influx of refugees.

140. The reservations expressed by some country office directors concerning the conversion of SCs into fixed-term contracts are similar to those leading to the preference for consultant status at Headquarters:

- The cost is lower, due to the retirement scheme (affiliation with the national scheme and not that of the United Nations or, if there is no national scheme, additional compensation to allow the employee to contribute to a pension fund, limited to 8 percent of salary).
- It is easy not to renew such contracts given that no explanation is needed.
- There is no clear time limit for service contracts (unlike, in principle, for consultants).

141. A number of country offices are again working towards this goal. The “Internal Audit of Human Resources Management in Country Offices” report mentions the case of Somalia.

142. This office employed 336 nationals as of 31 December 2015, of which 261 held service contracts or SSAs. It conducted an SSR in November 2015 with the aim of reviewing the balance between staff (GS-FT and NO-A) and non-staff (SC and SSA). The conclusion was that 127 employees on service contracts should be switched to fixed-term contracts. The aim was to make this change by the end of 2016, before proceeding to a review of the status of SSAs.

143. The cost of these operations is not fully clear. The internal auditors recommended continuing this strategy but emphasized that financing and the needs of the programmes must be taken into account.

144. If there is high turnover of service contracts, it may be useful to look at the extra cost of the change in status against the cost of turnover: loss of knowledge, vacant positions, cost of recruitment procedures required to replace departing employees, etc.

145. In any case, any additional cost varies according to countries and it is difficult to introduce a status change programme for a significant proportion of employees in an office without first thoroughly evaluating it.

146. Caution must also be exercised when costing the expected benefits, especially when they concern elements that are real but difficult to assess over time, such as improved motivation.

Recommendation 12. The External Auditor recommends that any change in status of a significant number of employees in a country office be made conditional on a rigorous and prudent assessment of the potential additional costs and relevant financing.

8.2.2. “Nationalization” of positions

147. Beyond questions relating to status, there is the issue of ensuring better jobs and career progression for national officers.

148. There is relative parity among the seven General Service field grades except towards the top, with the two penultimate grades, G5 and G6, accounting for 51 percent of the 3,114 such employees.

149. However, there is a significant imbalance in the grades of NPOs, to the detriment of the two upper grades (out of four). These two grades account for only 12 percent of the 929 officers employed as at 31 December 2016. Only five employees (0.5 percent) held the upper grade (NO-D).

150. Two issues therefore arise:

- the difficulty of offering genuine career progression to the employees concerned; and
- the risk of under-utilizing employee potential by keeping the most interesting jobs for international professionals.

151. However, replacing international fixed-term contracts with NPOs where possible entails no cost in itself; rather, it offers savings.

152. The other solution, which would appear to be costlier, would involve creating a path for certain NPOs towards international staff status, even creating a suitable procedure, with a competitive element (similar to that used for the promotion of international staff).

153. Two recommendations can be formulated: one regarding a broadening of the duties assigned to NPOs; the other seeking to improve their career progression in terms of status.

Recommendation 13. The External Auditor recommends requesting country office directors to consider, during staffing structure reviews, whether certain international staff posts could be assigned to NPOs.

Recommendation 14. The External Auditor recommends exploring the possibility of improving the prospects for career progression for NPOs by financing the creation of additional posts at higher levels through the elimination of international professional posts of equivalent level.

154. The establishment in 2016 of a National Staff Project Coordinator, reporting directly to the Executive Director, and a steering committee led by a regional director, should enable WFP to carry out this work.

9. The Human Resources function

155. At the same time as putting in place new processes, WFP's human resources function has sought to evolve.

156. The stated goal since 2014 has been to shift from a function primarily dedicated to administrative and transactional tasks to one that acts as a "business partner", providing operational managers and employees with added value that goes far beyond simply managing procedures in various fields.⁴⁵

157. The measures detailed throughout this report include:

- the communication, through numerous documents, of the strategic approach taken to human resources;⁴⁶
- the establishment and monitoring of goals for the implementation of new human resources procedures;
- the gathering of human resources managers from around the world (more than 100) for annual workshops;
- the strengthening of the Headquarters team and adoption of new designations for its services to reflect their new objectives;
- the establishment of an online human resources portal giving employees access to most rules and information, and the development of online processes, such as e-recruitment; and

⁴⁵ Structure of jobs, review and promotion, advice to employees, training and development of employees, etc.

⁴⁶ See in particular "WFP HR Functional Strategy; A framework for delivering WFP's People Strategy", "WFP People Strategy", "Fit for Purpose review HRM".

- the repetition in 2015 of the 2012 Global Staff Survey. The higher response rate (70 percent compared with 44 percent in 2012) reflected employee interest in the questions asked and the higher proportion of positive responses to most questions was also a positive sign.

158. The changes observed are in keeping with a human resources policy that is focused less on procedures and more on advising and supporting line managers, but it is as yet too early to assess the operational impact of changes beyond the way messages are received. Behavioural changes in a system with a strong corporate culture necessarily take a matter of years.

159. The exact role of the human resources function should be clarified: is it a division that provides multiple tools but leaves it up to decentralized offices to use them or not, or a division that more directly guides the use of these tools?

V. ACKNOWLEDGEMENTS

160. The audit team would like to sincerely thank HRM for its collaboration and the speed and quality of its responses during the audit, and the Finance and Treasury Division (RMF) for its assistance in providing financial information.

End of audit observations.

Annex 1. Summary of the implementation of the recommendations of the previous Human Resources audit

No	Subject	Recommendations	Implementation	Partially implemented	Not implemented	Observations
2012/1		Recommendation 1: The Structure and Staffing Review (SSR) must be integrated with the 5-year country strategy and with the staffing projections across individual project plans. Comprehensive SSRs encompassing non-staff requirements (including consultants) should guide the overall deployment in the field offices.	x			i) HQ should consider a workforce planning project enabling it to define the target workforce, based on various crisis scenarios. ii) The reviews of workforce structure carried out locally, and which could become systematic/annual, could be used as inputs to this exercise.
2012/2		Recommendation 2: The RB should be equipped with the knowledge and skills to support the country offices in the SSRs and to assist the HR Division in periodically feeding the outcomes of SSRs into corporate HR planning through a structured mechanism.	x			A job classification has in fact been put in place, but WFP is not able to demonstrate that assignments and recruitment are totally aligned with this matrix. Moreover, the training of human resources managers in the field will not be implemented until 2017.
2012/3		Recommendation 3: Corporate workforce plan must be supported by an assessment on the benefits and risks of high dependence on short-term contracts in relation to funding trends in country offices over a multi-year period. The controls that mitigate the risks should also be identified.	x			

No	Subject	Recommendations	Implementation	Partially implemented	Not implemented	Observations
2012/4		Recommendation 4: WFP should set in place oversight to provide an assurance that the position grades approved in each project conform to the standard classification and that the decisions are not driven by funding projections alone.	x			A precise methodology has been provided to field offices to support their decision-making on recruitment matters. However, WFP is not in a position to monitor and verify the quality of decisions.
2012/5		Recommendation 5: HR Division should establish key performance indicators on the health of HR management in the field offices and establish a threshold above which an on-site review would be conducted. A process to periodically inform the top management on the results thereon should also be put in place.			x	
2012/6		Recommendation 6: A time-bound plan for expeditious completion of the corporate workforce plan and its implementation must be prepared.	x			
2012/7		Recommendation 7: Clear documentation that provides a trail, including justification for deviations, must support HR decisions.	x			Human resources decisions are now better traced in the WFP information system. Nevertheless, as a decentralized organization, WFP has opted not to verify all decisions taken in the field closely.
2012/8		Recommendation 8: WFP should recognize the risks of following a closed loop in recruitment and identify the controls to mitigate the risks.	x			

No	Subject	Recommendations	Implementation	Partially implemented	Not implemented	Observations
2012/9		Recommendation 9: We recommend that the PACE reports form the primary basis for identifying the pool of staff that must be considered by the PPP. This, in turn, will enhance the value of PACE, the quality of PACE evaluations and aid adherence to time schedules.	x			The upgrading of the PACE platform has enabled it to become a key element in overall human resources decision-making (assignments, evaluations, promotions).
2012/10		Recommendation 10: A structured framework for feedback to staff on HR decisions, will enhance the credibility of the process.	x			
2012/11		Recommendation 11: We re-iterate recommendation no: 17 of our Report on Somalia Operations on timeliness and quality of PACE evaluations.	x			
2012/12		Recommendation 12: A 360 degree review which includes feedback from subordinates, should be included in the annual performance evaluation of executive level staff.	x			The 360° evaluations of managers should be made a systematic annual procedure. So far it seems to have been carried out just once.
2012/13		Recommendation 13: WFP must develop a learning policy for continuous capacity-building of staff and its integration with work processes.	x			Training policy has improved markedly since 2012. However, the issue of the budget allocated to training needs to be clarified.

No	Subject	Recommendations	Implementation	Partially implemented	Not implemented	Observations
2012/14		Recommendation 14: A knowledge management system will help WFP harness the knowledge that resides in disparate reports and in different divisions of the organization. Handing over of hard and soft copy of files should form an important item in the checklist before an employee moves out on reassignment/retirement.	x			Tools intended to support employees who leave their post have been disseminated on the network. However, it is not currently possible to evaluate the effectiveness of the handover system and the extent to which it is effectively implemented by agents.
2012/15		Recommendation 15: Training Modules of all functional areas and offices should be linked to the LMS.	x			According to the agents met, the LMS tool could be more user-friendly.
Total number of recommendations not yet applied: 1			14		1	

Annex 2. Employee categories at WFP

	MANAGEMENT			OPERATIONAL		
	Category	Duty Station	Recruitment	Category	Duty Station	Recruitment
STAFF	<i>International Professional Staff</i>	HQ/Field	International	<i>General Service - GS</i>	HQ/Field	Local
	<i>International Professional Short-Term Staff</i>	HQ/Field	International	<i>General Service Short-Term</i>	HQ/Field	Local
	NPO	Field	Local			
	<i>Junior Professional Officer - JPO</i>	HQ/Field	International			
NON STAFF	<i>Consultant</i>	HQ/Field	International	SSA	HQ/Field	Local
				<i>Reimbursable Loan Agreement - RLA</i>	HQ/Field	Local
	<i>Intern</i>	HQ/Field	Local/ International	<i>Service Contract</i>	Field	Local
	<i>UN Volunteer</i>	HQ/Field	Local/ International	<i>Casual labour</i>	HQ/Field	Local
			<i>WFP Volunteer</i>	HQ/Field	Local	

I. MANAGEMENT STAFF

International Professional Staff members – International Professional staff members in the professional (P1 to D2) and higher category are highly qualified staff who hold indefinite appointments (without precise date of expiry), continuing appointments (without specific limit of time) or fixed-term appointments (for a continuous period of at least one year with a specified expiration date). They are recruited at the international level with the expectation of being assigned to several countries, normally on a rotating basis.

International Professional Short-Term Staff Members – IP short-term staff members are engaged for periods less than 12 months at Headquarters, Liaison Offices and in the field. One month break in service applies if decision is taken to re-appoint short-term staff.

Junior Professional Officers – JPOs are part of a programme sponsored by governments from developed countries to provide training and experience to young professionals who wish to pursue a career in international development assistance. They hold fixed-term appointments.

National Professional Officers – NPOs are locally recruited professional staff in the field, working at the NOA to NOD level. They hold continuing appointments (without specific limit of time) or fixed-term appointments (for a continuous period of at least one year with a specified expiration date). To be appointed, they have to live within commuting distance of the duty station. They are not submitted to the rotational policy.

II. OPERATIONAL STAFF

General Service Staff – GS Staff are locally recruited administrative or technical support staff working at the GS-1 to GS-7 level. They may hold fixed-term or continuing appointments. To be appointed, they have to live within commuting distance of the duty station. They are not submitted to the rotational policy. GS can be recruited for position at Headquarters, Liaison Offices or in the field.

Short Term General Service Staff – Short-term GS staff members hold short-term appointments (granted for a period of no more than 11 months that has a specified expiry date). One month break applies if decision is taken to re-appoint them. They are recruited to meet temporary and/or short-term needs caused by the absence of regular staff (e.g. absence from office on annual, sick, paternity or maternity leave, mission or TDY status). Short-term General Service staff may also be recruited for special short-term assignments. They shall not normally be hired for assignments of less than one month. Such needs for temporary assistance should be accommodated within the regular staffing complement of the Division.

III. NON STAFF – MANAGEMENT

Consultants - Consultants are recognized authorities or specialists in a specific field and whose services are utilized in an advisory, consultative, or demonstrative capacity. They are employees recruited for a limited period not to exceed 11 months, to provide expert advice in a specialized field not readily available in the Programme. On occasion, Consultants may also be employed on a temporary basis to perform staff functions when staff resources are not immediately available for emergency or operational areas. Consultants may be appointed for (a) the duration of a specific assignment; (b) for a series of specific assignments within a given period of time (When Actually Employed basis - WAE); (c) on a Without Compensation (WOC) basis, when they cannot accept any honorarium. No Consultant should be employed for more than four years on a consultancy basis, i.e. 44 out of 48 months. In the event this occurs, the Consultant should be given a substantial break in service of three months or more, or receive a fixed-term contract as applicable and appropriate.

Interns - Interns are students that have completed at least two years' undergraduate studies when joining the Programme and that are enrolled in a university or graduate school and have attended courses in the last 12 months. The internship must be of a professional nature and include analytical and conceptual duties among the tasks assigned but interns shall not perform managerial or supervisory functions, be responsible for finance and procurement matters, replace existing staff or carry out functions of a vacant post. Interns receive a stipend to cover basic subsistence costs.

United Nations Volunteers - UN Volunteers are part of a programme managed by the UNDP and funded by WFP or the United Nations Volunteer (UNV) programme/Bonn. They receive a monthly living allowance and basic support costs; normally serve an average of two years.

IV. NON STAFF – OPERATIONAL

Special Service Agreement – Persons under Special Services Agreements (SSAs) are employees in Headquarters, Liaison Offices or in the field. The SSA is a tool to locally recruit consultants, temporary professionals and support personnel to perform duties over a relatively short period of time. The contract holder must be a national/citizen from the country of assignment or a resident with a working permit obtained prior to engagement on SSA contract. The SSA is suitable for activities that are of less than six months duration or activities which will not be extended beyond eleven months, either during emergency or relief operations, peak workload periods, workshops/conferences, leave periods of regular staff members or for initial activities prior to funding/post definition, etc. If there is a continuing need for services beyond eleven months, then other contractual tools should be contemplated. Three months break in service applies if a decision is taken to re-appoint the SSA holder. Remuneration is stated in each SSA, and is payable in the form of a lump-sum amount for the services, within the prescribed period of the agreement.

Service contract – The SC is a contracting instrument for use only outside of Headquarters. The SC is intended to locally recruit individuals under the following conditions: a) for temporary functions determined to be limited and for specific periods such as emergencies, special operations and programme activities with limited period of time; b) for support services that would normally be outsourced to a company but such companies are not available or it is not advisable to do so due to prevailing circumstances, i.e. custodial, security and IT services. For any of the above activities that are less than 6 months, the SSA contract must be used. It is issued for a minimum period of six months, extendable, but not more than 12 months at a time. The SC is renewable without break in service but WFP Field Offices should consider use of alternative contractual tools – Fixed-term contract modality – if services are required for a longer time, as this non-staff contract modality is designed for temporary, time-bound functions, generally has a lower remuneration scale than the UN salary scale for staff members, has a limited package of entitlements and benefits, does not contain career management options.

WFP Volunteers – WFP volunteers are locally recruited individuals who donate their services to the Programme. They have no relationship to the UNV Programme, nor to the WFP Intern Programme. WFP Volunteers can provide additional assistance to WFP staff in all types of work, but are not to be used to replace staff members on permanent basis. There is no compensation for such volunteer services, however the Programme provides insurance under the Medical Coverage for Supernumeraries (MCS) scheme for service-incurred accident/illness/death; travel expenses should travel be required; coverage under the WFP war risks/malicious acts policy.

Casual Labourers – Casual labourers are engaged for short periods of time to perform duties, usually of a manual nature, which are temporary, intermittent and seasonal in nature, paid at daily or piecework rates. Typical examples include, but are not limited to, stevedoring or other personnel employed in loading and unloading consignments of food and equipment, cleaning and gardening. Engagement as a casual labourer shall be for a time of not more than three continuous months and not for more than nine months in any 12 months period. If longer services are required, then other available contractual agreements must be utilized (e.g. SSA or SC).

Reimbursable Loan Agreement – Persons under RLA are engaged under an agreement with an accredited company, public organization, national institution or other legal entity used to obtain the services of a specialist in a particular technical field.

Annex 3. Recruitment procedures

I. Recruitment at international level:

1. Professional and higher categories are recruited at international level and monitored by HQ in the same way as junior professional officers and consultants.

a) *Recruitment of international professional and higher categories*

2. The recruitment procedure can only commence with the authorization of the Executive Director or the Committee on recruitment and assignments to posts subject to rotation, or by the Divisional Director of human resources for other posts.¹

3. External recruitment is authorized when a post cannot be filled despite two consecutive reassignment exercises, except for deployment in the framework of level 3 emergencies or when faster procedures may be applied. It may also be authorized as soon as a post becomes vacant, in particular during creation of new roles, when WFP anticipates a lack of suitable skills being available internally. Advertisements are published on the WFP website and disseminated within the common United Nations system, and where applicable, via other media on the initiative of the Human Resources Division.

4. The hiring manager has six months from approval to complete external recruitment process. If the selection process is not completed within this time, a specific extension request must be sent to the Head of Talent Deployment and Career Management Branch.

5. Beyond the minimum requirements to be met in terms of languages, qualifications and professional experience, candidates are evaluated on the basis of a skills matrix specific to each post. The Human Resources Division short-lists candidates that meet all the criteria. This short-list should preferably include more than three candidates.

6. According to the human resources manual, candidates who have already worked for WFP or who have been placed in a talent pool should be given priority consideration if they meet the requirements defined for the post. Such pools² are set up in order to facilitate external recruitment for certain P-2 to P-4 posts.

7. The hiring manager sets up a selection panel to receive the short-listed candidates. This panel comprises three people: for P-1 to P-4 level posts, the hiring manager or his representative, recruitment coordinator, and a human resources manager at international level; for P-5 posts and above, the hiring manager, Director of the Human Resources Division (or his representative), and a senior official.

8. Following the evaluation interviews, the panel recommends a candidate to the Director of the Human Resources Division, who authorizes the assignment process. For P-5 and D-1 posts, including country director posts, the recommendation is also submitted to the Executive Director. The Human Resources Division verifies the selected candidate's qualifications and informs the unsuccessful candidates. If the proposed candidate does not receive final approval, the panel may propose another or justify its choice.

9. The panel's proposal is set out in a report containing all the documents regarding the recruitment procedure (publication, job description, evaluation matrix, distribution of candidates by gender and nationality), enabling the selection made to be justified.

¹ See Annex 1 of Section II.3 of the Human resources manual.

² OED2014/017 dated 28 November 2014 from the Executive Director.

10. According to the human resources manual, selected candidates are hired for a fixed-term of one continuous year or more with a probationary period of 12 months. In practice, the initial duration is two years, and may be extended by one year several times. After five years the extension is two years, making a total length of service of seven years.

11. When an international employee whose contract has expired is renewed, the post is not subject to an open tender for applications.

12. Professional and higher categories may be hired on short-term contracts of less than eleven months in response to specific needs. The human resources manual does not specify any particular selection rules, except the exclusion of candidates with family links with an employee already occupying a post.

13. Junior professional officers are recruited according to the process described above for level P-1.

b) Hiring consultants

14. In principle, consultants are recognized authorities in their specific domain, recruited internationally to meet specific WFP needs or to perform ad hoc roles because resources are not immediately available internally.

15. Under the principles and rules to which they are subject, consultants are recruited for a period of up to 11 months (WFP Human resources manual, Section III.2.2.1 c.) Contract renewals may not exceed a period of employment of four years or 44 months out of 48. Beyond this limit, the consultant's services must be interrupted for at least three months or he must be engaged on a fixed-term contract.

16. The body of rules applicable to consultants lays down the compensation and remuneration arrangements. By contrast, the process of publishing posts, selecting candidates, and the final decision concerning recruitment is not specified. The role of the Human Resources Division is limited to validating the level of the remuneration and the execution of administrative instruments concerning the recruitment process and the drawing up of contracts.

II. Recruitment at local level

17. Recruitment at local level concerns national professional staff and General Service staff at regional bureaux and country offices, along with General Service staff at HQ and the liaison offices, and also non-staff hired on various types of, usually short-term, contracts.

a) Recruitment of General Service staff at HQ and liaison offices

18. When filling general services posts at Rome for durations of a year or more preference is given to internal recruitment (transfer between departments or promotion via a selection process), and recourse to pools comprising agents already working in general services or identified during short-listing. As a last resort, a specific vacancy notice is published externally with the authorization of the Director of the Human Resources Division.

19. Recruitment pools are data bases of internal and external candidates established for G-1 to G-4 levels and by functional domain. They must ensure the WFP has visibility of internal competences and candidates available for external recruitment. External candidates are held on the data base for a year.

20. Applications for vacancies are transmitted electronically and forwarded to a four-member selection panel after short-listing by the Human Resources Division.

21. The selection panel decides the recruitment method and any tests (languages, technical skills) which the short-listed candidates are to take. After these tests the panel should receive at least five candidates for the final interviews.

22. On the basis of the tests and interviews, the hiring manager prepares a written report supporting the choice made and recommending a candidate. This report is signed by all the members of the panel and must include the list of candidates interviewed. If the chosen candidate is external, this choice must be justified

b) Recruitment of management staff and General Service staff for regional bureaux and country offices

23. The directors of regional bureaux and country offices have delegated authority to recruit all agents locally via a selection process guaranteeing transparency and equity. The posts offered for local recruitment are only open to persons living within the perimeter of administrative residence of the duty station or the country.

24. Recruitment cannot start until the funds corresponding to the classification of the post have been budgeted for, based on a job specification validated by the Human Resources Division at HQ.

25. A vacancy notice including the job specification, skills required and recruitment criteria, must be published. The notice must normally be published for two weeks, but a shorter period may be authorised by the regional director or the country director if recruiting to cover an urgent need.

26. Some vacancies are only open to members of staff who already hold a fixed-term contract (type 1 vacancy notice). They may also apply for posts offered through the United Nations system (type 2 vacancy notice) and externally (type 3 vacancy notice). In general terms, type 3 vacancy notices are used for management posts in order to ensure broad competition between candidates, while type 1 vacancy notices are used for General Service staff agents performing an implementation role.

27. Candidates are required to complete a form setting out their personal and professional background and qualifications, and listing their family and other relationships. This declaration is essential to check sensitive information.

28. Human resources managers in the unit short-list the candidates based on the criteria set out in the vacancy notice. The hiring manager ranks the various candidates and must justify the established order of precedence. As a result of this ranking, three candidates, of which at least one should be a woman, if possible, are selected for consideration by the selection panel.

29. The panel comprises at least three people, including the hiring manager, a representative of human resources and a third person from outside the unit who may come from another United Nations agency, particularly in the case of the smaller offices. Apart from the human resources manager, these persons must hold posts of equal or higher rank than the post to be filled and they must declare a possible conflict of interest if they have previously managed any of the candidates.

30. The Local Appointment and Promotion Committee, set up in all the regional bureaux and country offices with more than twenty agents, is responsible for supervising local recruitment. In any event, recruitment and selection decisions must abide by the principles and rules applicable to FAO personnel and the provisions of the human resources manual and WFP recruitment policy.

31. At the end of the selection process, selected candidates are given a fixed-term assignment of twelve months or more with a precise end date.

c) Hiring of non-permanent staff at the regional bureaux and country offices

32. Directors of regional bureaux and country offices have delegated authority to hire according to their needs and the financial resources available to them. The hiring process is much more flexible as hiring is for a fixed-term.³

³ See the guide on authority delegated to country directors regarding human resources.

33. Consultants, who occupy highly qualified or managerial posts, may also be recruited locally.
34. Other categories of recruitment concerning implementation roles, principally with three types of contract:
- Contracts of service with a duration of 6 to 12 months, with direct hiring or following a selection process. These may be renewed without interruption of service, but may not be turned into a fixed-term engagement, nor be subject to a transfer to another duty station; beneficiaries may, however, apply for vacancies subject to a competitive selection process.
 - SSAs concerning short-term recruitment (less than six months) that may not be extended beyond 11 months, with or without competition between candidates. They may be converted into a service contract following a selection process.
 - Casual workers are hired directly for a continuous period that may not be longer than three months; in total, they may not be employed for more than nine months in a year.
35. The hiring manager has scope to select candidates, and hold tests and interviews in the mode he considers appropriate in view of the complexity of the mission to be conducted and the post to be filled, and of the degree of urgency.

Annex 4. Promotion and reassignment procedures

Promotion of staff on levels P-1 to P-5

Since its modification in 2013, the promotion procedure for levels P-1 to P-4 operates as follows:

- In March of year N, the line manager of the staff members concerned performs an initial review of skills according to two evaluation matrices: performance in relation to the post held and the person's potential for the next level up. Once this review has been conducted, the manager selects 50 per cent of candidate files for progress to the next stage. These are also sent to the country director or, in the case of HQ, to the division director. Fifty per cent of the candidates are again selected.
- The second stage takes place at the regional bureau or division: the managers examine the dossiers, receive the candidates and then select 25 per cent of the dossiers received to be sent to HQ and the promotions committee.
- At HQ, the PPP¹ meets to examine all the applications, and for information purposes, receives those that were not selected at the local and regional level. The commission drafts proposals and the final decision is made by the division director.

Reassignment procedure

This procedure only concerns international staff and is managed by the Talent Deployment and Career Management Branch. It is automated via a single platform and proceeds as follows:

- Candidates consult posts open to reassignment on the WFP intranet, where they are posted for a fourteen-day period after validation by the Human Resources Division (which, in particular, ensures that the necessary funds are available). Candidates create an online wish list, giving their reasons, comprising three to five posts, of which some may be on the next level up.
- All staff must apply for between three and five posts, of which at least two must be on their current level. They cannot apply for posts two levels above their current level.
- After the closing date for applications, a first level evaluation is carried out by the staffing coordinator² in conjunction with the line manager for the post open for reassignment. This initial selection is forwarded to the Committee on recruitment and assignments or the Committee on recruitment and assignments (senior staff) for higher grades (country directors on level P-5 and D-1 and D-2 posts).
- The committee concerned issues an opinion. The final decision is then taken by the Executive Director for P-5 level country director posts and D-1 and D-2 posts, and by the chair and vice-chair of the committee for P-1 to P-4 posts and for P-5 posts other than country directors.

¹ This comprises the Executive Director, the Executive Directors and Assistant Executive Directors, the Chief of Staff, HR Division Director, a member of each of the two staff associations: the Head of Legal Services and the equal opportunities officer.

² Human resources coordinator in functional units or at regional bureaux or country offices.

The specific process for promotion to levels P-5 and D-1

Since October 2015 the procedure for promotion³ to levels P-5 and D-1 is as follows:

- The Talent Deployment and Career Management Branch identifies persons meeting the required conditions,⁴ who then apply online for posts open for reassignment using the "Talent Review Tool" interface, a promotion management application.
- Candidates undergo a two-level evaluation, first by the country director (via the PACE system), the vice regional director (for country directors) or division directors (for HQ agents), then by the regional director⁵ or the department directors (for HQ), according to two matrices of criteria: performance relative to the current level and potential for future functions at a higher level. An initial selection is thus performed.
- The persons selected are invited for a session at the Career management centre, at the outcome of which they are classed into three categories: a) candidates with potential who are ready to be promoted; b) candidates with potential but not yet ready to be promoted; c) candidates who are not yet ready.
- Candidates in the first category join a pool of high potential persons, the managers pool, at the discretion of the Committee on recruitment and assignments (senior staff). The committee then draws up recommendations for the Executive Director, who makes the final decision regarding the promotion. In the majority of cases the Committee's recommendations are followed.

³ Described in Section II.6 of the Human resources manual.

⁴ See Human resources manual: the required conditions include the time spent on the level and posts considered, the post's level of risk, and performance as reflected in the PACE forms from the previous two years (either "exceptional performance" or "good performance"). Thus, for candidates for a P-5 post, three years in the grade is required, while for candidates to a D-1 post, the required "time in grade" is four years.

⁵ It should be noted that during the first procedure launched in 2015 a single level of talent review was set up. A two-level evaluation was only put in place 2016.

Acronyms Used in the Document

ERR	emergency response roster
GS	General Service
HR	Human Resources Division
ISSAI	International Standards of Supreme Audit Institutions
JPO	Junior Professional Officer
LMS	Learning Management System
NGO	non-governmental organization
NPO	National Professional Officer
PACE	Performance and Competency Enhancement
PPP	Professional Promotion Panel
RLA	Reimbursable Loan Agreement
SC	service contract
SDG	Sustainable Development Goal
SSA	Special Service Agreement
SSR	staffing structure review
UNDP	United Nations Development Programme
UNV	United Nations Volunteer