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REPORT ON WFP'S STRATEGIC PARTNERSHIPS IN ECONOMIC ANALYSIS

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NOTE TO THE EXECUTIVE BOARD

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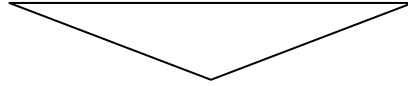
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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DRAFT DECISION*



The Board takes note of “Report on WFP’s Strategic Partnerships in Economic Analysis” (WFP/EB.2/2006/4-D).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (document WFP/EB.2/2006/16) issued at the end of the session.



INTRODUCTION

1. In considering the document “The Role and Application of Economic Analysis in WFP” (WFP/EB.A/2006/5-C) at its Annual Session in June 2006, the Board requested the Secretariat to submit a “written report on the details of the strategic partnership, including the division of labour among the participating organizations and taking into account the observations made by Board members on the document, to be submitted at the Board’s Second Regular Session in November 2006”. The purpose of this document is to provide information on WFP’s current cooperation with partners in carrying out economic analysis, and the scope for intensification.

BACKGROUND

2. WFP’s aim in carrying out economic analysis is to improve the efficiency and effectiveness of interventions, thus helping to achieve the Strategic Objectives. Economic analysis therefore needs to be closely related to WFP’s mandate and area of intervention. As its own capacity in economic analysis is limited, it is important that WFP works in collaboration with other organizations, adapting where possible methods and tools used by partners. WFP strives to avoid any duplication of analytical efforts, and aims to maximize cooperation with other agencies.

ONGOING PARTNERSHIPS

3. Economic analysis is relevant in four main areas of WFP’s work: (i) analysing the economic factors that contribute to food insecurity; (ii) integrating WFP’s operations into the national development context; (iii) analysing food markets; and (iv) assessing the impact and effectiveness of operations and the choice of approaches. Partnership arrangements with other development and humanitarian actors are in operation in each of these areas.
4. The examples of ongoing partnership initiatives listed in the following paragraphs give an indication of the various types of partnership that WFP enters into in the field of economic analysis. The list is not exhaustive; most examples relate to partnerships at the Headquarters level, but a multitude of partnerships are also in place in country offices and regional bureaux.
5. Apart from partnerships related to specific initiatives, WFP has made efforts to build up internal capacity to undertake economic analysis through the secondment of staff from the United Nations, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) and the World Bank.

Partnerships in Analysing the Economic Factors that Lead to Food Insecurity

6. The Food and Agriculture Organization of the United Nations (FAO) and WFP have been collaborating for a long time on crop and food supply assessment missions (CFSAMs). The purpose of CFSAMs is to provide accurate, timely and credible information on imminent food security problems at the national or regional levels, so that action can be taken by governments, United Nations agencies and other actors.



7. Within the CFSAMs, WFP carries out household food analyses at the microeconomic level; FAO produces national food balance sheets at the macro-economic level. WFP is responsible for identifying vulnerable regions, populations and households, estimating their food gaps and calculating their food requirements. FAO assesses crops and harvest prospects and estimates the country's consumption requirements, domestic supply and import capacity.
8. WFP also collaborates with FAO and the Inter-Agency Working Group on Food Insecurity and Vulnerability Information and Mapping System (FIVIMS) to develop comprehensive and mutually accessible spatial information databases – including socio-economic data at the sub-national level – for food security and vulnerability analysis and poverty mapping.
9. WFP and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) jointly launched a project aimed at estimating the cost of hunger in each country of the Latin America and Caribbean region. The project supports advocacy to increase the availability of resources for initiatives to enhance nutrition and reduce hunger. It also underlines the central role that fighting hunger and malnutrition can play in national and regional development strategies. The project is supported by international organizations such as the Inter-American Development Bank (IDB), UNDP and the World Bank, and various national statistical, social and economic research institutions.
10. Following missions to Niger by WFP Headquarters staff in the aftermath of the food crisis in late 2005, the World Bank invited WFP to participate in the mid-term evaluation of a nationwide irrigation project (PIP-2). WFP's participation led to a partial refocusing of this project to extend its benefits to groups of poor and food-insecure farmers who were previously excluded. The WFP mission also participated in the drafting of a policy document identifying actions that the Government of Niger would have to implement to trigger the release of World Bank funds in the framework of the 2006 budget support project, Rural and Social Sector Reform Credit. WFP inputs highlighted the need for considering food security a significant element of Niger's national development strategy, and identified policy actions to be implemented to this end.

Partnerships in Integrating WFP Operations into National Development Contexts

11. In recent years, WFP has strengthened its capacity to engage in the formulation of policy documents such as poverty reduction strategies (PRS), sector-wide approaches (SWAPs) and United Nations Development Assistance Frameworks (UNDAFs). All new country programmes (CPs) approved by the Board in 2004 and 2005 were consistent with the national priorities outlined in PRSs, SWAPs and UNDAFs.
12. WFP is committed to increasing participation in processes such as those related to PRS (WFP/EB.A/2006/5-B). Increased engagement in PRS has led WFP to intensify its cooperation with other stakeholders and development agencies and with local food security and nutrition actors. WFP's main partners in the PRS process are national governments, United Nations agencies, particularly FAO, the International Fund for Agricultural Development (IFAD), the United Nations Children's Fund (UNICEF) and the World Bank. Building on its own strategic and comparative advantages, WFP provides governments and other stakeholders with vital information about food-insecure people, usually the poorest of the poor, and advocates for assigning high priority to their needs in anti-poverty strategies.



13. WFP's projects are now more closely aligned to government strategies and priorities. For example, in Sierra Leone, the WFP country office, FAO and other food pipeline agencies such as the Cooperative for Assistance and Relief Everywhere (CARE), Catholic Relief Services (CRS) and World Vision International (WVI) formed an inter-agency task force under the leadership of the Ministry of Agriculture, Forestry and Food Security to develop a national food-security strategy. This was used as the principal instrument to influence subsequent development of the PRS, including a significant food-security component. The Sierra Leone country office benefited greatly from technical assistance from the regional bureau and the Economic Analysis Unit at Headquarters.
14. WFP supports governments in a number of countries in establishing long-term social-protection strategies such as the Ethiopian Productive Safety Net Programme (PSNP). WFP and partners such as the Canadian International Development Agency (CIDA), Development Cooperation Ireland, the Department for International Development (DFID), the European Union, the United States Agency for International Development (USAID) and the World Bank work with the Ethiopian Federal Food Security Coordination Bureau (FSCB), the Ministry of Finance and Economic Development and regional food security offices to increase the efficiency and effectiveness of PSNP.
15. In collaboration with UNICEF, WFP supported the Government of Nigeria in formulating a national home-grown school feeding and health programme. The programme is part of a New Partnership for Africa's Development (NEPAD) initiative, funded by Nigeria with support from the World Bank, UNICEF and FAO through their ongoing programmes in the country.

Partnerships in Analysing Food Markets

16. The Strengthening Emergency Needs Assessment Capacity (SENAC) project is the main driver for improving WFP's capacity to analyse food markets under emergency conditions, particularly the role of food aid. This innovative WFP project cooperates with the FAO Global Information and Early Warning System (GIEWS), which provides technical advice. Four of the 11 SENAC market study pilots to provide a standard template for WFP's future market information for emergency food-security assessments were undertaken by GIEWS staff.
17. SENAC is also developing a market model in cooperation with Michigan State University, with technical support from the World Bank. This will be used to estimate the effects of price and production shocks on the food security status of vulnerable households.
18. WFP is engaged in discussions with the World Bank and FAO to develop a framework for developing grain markets in Africa. This partnership initiative, to be carried out over three years, will entail analysis and advocacy. WFP is expected to contribute analytical inputs on topics such as the effects and consequences on underlying grain markets of food aid distribution and local food aid procurement, and the effects on grain markets of inadequate or non-existent infrastructure.

Partnerships in Assessing the Impact and Effectiveness of Operations and Approaches

19. In collaboration with the Joint United Nations Programme on HIV/AIDS (UNAIDS), WFP carried out a cost analysis to estimate the costs of providing food and nutritional support to people enrolled in HIV and AIDS interventions and their immediate families.



The global resource needs of food and nutritional support were also forecast on the basis of UNAIDS' 2006–2008 scale-up plan for these interventions.

THE WAY FORWARD

20. Many initiatives in the area of economic analysis are currently carried out as required in cooperation with partners. WFP is fully committed to intensifying cooperation with its partners in order to improve the efficiency and effectiveness of its operations, build on existing capacities, exploit comparative advantages and avoid duplication of efforts.
21. Since approval of the policy paper on the “Role and Application of Economic Analysis in WFP” at the Board’s 2006 Annual Session, WFP has stepped up its high-level contacts with FAO and IFAD to upgrade and extend inter-agency partnership agreements. The three organizations established a nine-member committee to discuss options for strengthening inter-agency cooperation in various fields, among which economic analysis figures prominently. One area where inter-agency cooperation is seen as pivotal is that of integrating the operations of each organization into the national development context, within the strategic planning framework provided by PRS.

ACRONYMS USED IN THE DOCUMENT

AIDS	acquired immune deficiency syndrome
CARE	Cooperative for Assistance and Relief Everywhere
CFSAM	crop and food supply assessment mission
CIDA	Canadian International Development Agency
CRS	Catholic Relief Services
DFID	Department for International Development (United Kingdom)
ECLAC	United Nations Economic Commission for Latin America and Caribbean
FAO	Food and Agriculture Organization of the United Nations
FIVIMS	Food Insecurity and Vulnerability Information and Mapping System
FSCB	Food Security Coordination Bureau
GIEWS	Global Information and Early-Warning System
HIV	human immuno-deficiency virus
TDB	Inter-American Development Bank
IFAD	International Fund for Agriculture Development
NEPAD	New Partnership for Africa's Development
PDP	Strategy, Policy and Programme Support Division
PDPE	Economic Analysis Unit
PRS	poverty-reduction strategy
PSNP	Productive Safety Net Programme
SENAC	Strengthening Emergency Needs Assessment Capacity
SWAP	sector-wide approach
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WVI	World Vision International