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SUMMARY OF THE WORK OF THE ANNUAL SESSION OF THE EXECUTIVE BOARD, 2001

In accordance with the methods of work of the Executive Board, the present document reflects the main points of its deliberations to be taken into account by the Secretariat in the implementation of the Board's decisions and recommendations, contained in document WFP/EB.A/2001/9.

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TABLE OF CONTENTS

	Page
ANNUAL REPORTS	
Annual Report of the Executive Director: 2000	1
POLICY ISSUES	
Report on the Implementation of the Enabling Development Policy: From Theory to Practice	3
WFP Working with NGOs: A Framework for Partnership	4
WFP—Reaching People in Situations of Displacement: Framework for Action	5
Amendments to General Rules VI.1 and X.2(a) of WFP	5
Information Note on School Feeding	5
FINANCIAL AND BUDGETARY MATTERS	
Budgetary Performance Report for 2000	6
Strategic and Financial Plan (2002–2005)	6
Amendments to the WFP Financial Regulations on the Operational Reserve	7
Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rules XII.4 and XIII.4 (g))	7
Cash Management Report	7
EVALUATION AND MONITORING WORK PLAN: 2001–2002	
Evaluation and Monitoring Work Plan: 2001–2002	8
ADMINISTRATIVE AND MANAGERIAL MATTERS	
Report on Post-delivery Commodity Losses for the Period 1 October 1999–31 December 2000	8
Composition of WFP International Staff and Higher Categories—Personnel Statistics Report as at 31 December 2000	9
OTHER BUSINESS	
Funding Arrangements for United Nations Staff Safety and Security	9
Report of the Joint Meeting of the Executive Boards of UNDP/UNFPA and UNICEF (with the Participation of WFP)	10



ANNUAL REPORTS

Annual Report of the Executive Director: 2000 (2001/EB.A/2)

1. After a wide-ranging speech in which the Executive Director presented her Annual Report for 2000, she and the Secretariat were thanked by the Board for providing it with a complete and substantive document. The Board took note that the recommendations in the report adhered to the standardized format devised by the United Nations Development Group (UNDG) and that it included references to cross-cutting issues of coordination as requested by the United Nations Economic and Social Council (ECOSOC).
2. The Board agreed that the order in which each of the recommendations was listed in the Annual Report did not imply an assignment of priority.
3. The Board congratulated the Executive Director on her work as Special Envoy of the Secretary-General in connection with the drought in the Horn of Africa, and expressed its gratitude for the way in which she had coordinated the mobilization of resources to deal with the famine in that region and avert a greater crisis.
4. The main topics that the Board representatives dealt with were as follows:
 - recognition of WFP's efforts to increase staff safety and the need to step up training and awareness in this area;
 - the advantages afforded by more extensive and closer collaboration with the United Nations system bodies, especially within the framework of the Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF);
 - the importance of WFP's activities and programmes' being framed within the poverty reduction strategies of the beneficiary countries;
 - support for the work carried out by WFP within its mandate to address the problem of human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS), including the training of its staff; with this in mind, it was urged that greater emphasis be placed on combatting this serious disease, which is so closely linked to hunger;
 - the importance of continuing efforts to achieve gender equality, in accordance with the goals laid down, given the positive effects it has at all levels, and the prioritization of this issue in WFP's activities;
 - the importance of promoting flexible financing structures for all programme categories;
 - the advisability of an ongoing evaluation of the results of WFP's decentralization process;
 - the usefulness of including fuller and more detailed information on the impact of WFP's activities, which could have a positive impact on the management and mobilization of resources;
 - the need to promote a more aggressive campaign of resource mobilization in order to meet all the requirements of WFP's activities;
 - the important work and constant efforts carried out by WFP in the field of nutrition, especially the Programme's linking of food aid with nutrition;



- the substantial level of resources (80 percent) attained in relief and emergency operations during 2000 and the fundamental role played by WFP in those activities;
 - the interest in drawing up guidelines for emergencies and for logistical management as part of the Board's responsibility in monitoring WFP's emergency operations;
 - the role that WFP can play in highlighting the priorities determined by the Heads of State at the World Food Summit: Five Years Later, which will be held in November 2001; and
 - the interest in using the commemoration of WFP's 40 years as an opportunity to highlight the Programme's role in and contribution to the fight against global hunger. It was thought appropriate that the Bureau should assess alternatives and submit them to the Board.
5. While reaffirming the importance of food aid for development, many representatives expressed their concern regarding the downward trend with respect to resources earmarked for such activities, and appealed for those resources to be increased. Two representatives stated they did not support development activities. One representative pointed out that it might be appropriate to begin identifying those development activities in which WFP had comparative advantages. The Executive Director endorsed the fact that using food aid for development was a legitimate responsibility of WFP and formed part of its mandate.
 6. The Board supported the strong call from the Executive Director to improve staff safety in all spheres and backed the Secretary-General's efforts to strengthen the United Nations security system. One representative expressed the view that this should not be seen as an endorsement of the report by the Secretary-General, which was the rightful role of the United Nations General Assembly (UNGA), and pointed out that the Board should only take note of those efforts.
 7. After an extensive exchange of views and before approving the Annual Report, the Board decided to delete recommendation b) in paragraph 182 of the Draft Annual Report, in view of the fact that countries cannot adopt different decisions in different fora, and requested that it appear in the text of the report that would be submitted to ECOSOC and the FAO Council.
 8. One representative referred to the need to maintain the principle of multilateral aid, especially in protracted relief and recovery operations (PRROs), in order to maintain neutrality in the activities carried out by WFP and those relating exclusively to humanitarian aid.
 9. Some representatives pointed out that making recommendations to other United Nations bodies should be avoided in the Annual Report, as this was beyond the competence of the Executive Board. However, WFP could give attention to these recommendations in its regular contacts with other United Nations agencies.

POLICY ISSUES

Report on the Implementation of the Enabling Development Policy: From Theory to Practice (2001/EB.A/3)

10. While taking note of the report on implementation of the Enabling Development policy, the Board welcomed the progress made and asked the Secretariat to take account of the opinions expressed during the debate when applying that policy.



11. A great many representatives supported development activities and regretted the constant reduction in resources earmarked for such activities. Reference was made to those activities' positive impact on beneficiary populations, and hope was expressed that there would be a renewed desire to support such activities through an increase in resources from donors.
12. Two representatives drew attention to their opposition to using food aid for development, but pointed out that their countries were committed to and supported international cooperation for development, politically and financially. Some representatives mentioned that developing countries themselves very often accorded priority to bilateral aid.
13. Some representatives urged donors who had doubts about the advantages of development activities to visit projects to see their excellent results, especially the comparative advantages of food aid in remote areas that were needy and often exposed to disasters. One representative pointed out that his country had taken into account what was happening in the field when adopting its position.
14. Other topics dealt with by Board representatives were the following:
 - the usefulness of vulnerability analysis and mapping (VAM) in geographical and beneficiary selection at all stages of WFP assistance;
 - the importance of properly harmonizing the programmes implemented by WFP with the Enabling Development policy;
 - the need to promote partnerships as a means of ensuring the effectiveness of food aid, especially with the governments of beneficiary countries, as these are the future entities responsible for projects' sustainability;
 - the need to use results-based management—which requires the identification of clear and quantifiable indicators, the firming up of monitoring and evaluation guidelines, and the assessment and definition of objectives that are clear from the outset—for which the gender perspective must also be taken into account;
 - the proper utilization of the logical framework and of activities orientated towards HIV/AIDS, in accordance with what is stated in the document;
 - being satisfied that the principles of the Enabling Development policy are being incorporated in the strategies for protracted relief and recovery operations; and
 - the importance of development activities as a means of disaster prevention and mitigation and of facilitating transition after an emergency.
15. The Board took note of the change in orientation from securing physical assets to securing human assets and of the progress achieved in changing over from large-scale projects to community-based ones and food projects, taking account of beneficiaries' needs where there was a food consumption problem. Some representatives drew attention to the need to guarantee flexibility, without forgetting the national context and needs, when choosing between the activities devised to create human and those intended to create physical assets.
16. Some representatives referred to the variables that had to be used to evaluate WFP's withdrawal, among them a country's level of development, macro-economic aspects, VAM selection and the sub-regional or regional context.
17. Several representatives requested a review of the Resource and Long-term Financing policy to ensure that sufficient non-food resources were available to implement WFP's development activities.



18. The Board renewed its support for the Enabling Development policy, approved in 1999.

WFP Working with NGOs: A Framework for Partnership (2001/EB.A/4)

19. The Board thanked the Secretariat for, in accordance with a prior request, identifying the criteria that were to guide partnerships between WFP and non-governmental organizations (NGOs).
20. While highlighting the important part played by NGOs in implementing development programmes and in WFP's emergency operations, the Board approved the recommendations for a partnership framework between WFP and NGOs contained in amended decision 2001/EB.A/4.
21. The Board agreed that extending the scope of partnerships and promoting measures to create capacity in local NGOs had to be achieved by WFP in consultation with the governments of beneficiary countries, within WFP's mandate and without incurring additional costs.
22. The Board decided that to establish partnerships with NGOs, WFP first had to consult governments of beneficiary countries and, within that framework, promote tripartite agreements.
23. Board representatives drew attention to the following issues:
- the importance of prioritizing the greater effectiveness of WFP programmes when arranging partnerships with NGOs;
 - flexibility in establishing partnerships, bearing in mind the actual situation in each specific case;
 - the creation of capacity only when partners' activities are directly related to existing WFP programmes;
 - the importance of NGOs for helping to strengthen beneficiaries' self-organization;
 - the usefulness of improving the standard and quality of information about NGO partnerships on WFP's website.
24. Some representatives proposed that frameworks for partnerships be drawn up with other partners and/or organizations, or, in any case, that the possibility of devising a general strategy for WFP partnerships be considered. In this connection, the President pointed out that the Bureau would evaluate this proposal.

WFP—Reaching People in Situations of Displacement: Framework for Action (2001/EB.A/5)

25. The Board took note of the information contained in document WFP/EB.A/2001/4-C presented by the Secretariat in view of a request made during the Third Regular Session, 2000.
26. In response to a request made by an electoral list, the Board agreed that dialogue should be promoted on the content of the information document, with the understanding that this did not mean carrying out an examination of it and/or adopting any decision. Nor would that dialogue be reflected in the text of the decisions and recommendations or in this summary.
27. In this connection, the President pointed out that representatives who wished to could submit their comments in writing to the Secretariat.



28. The Board endorsed WFP's drawing up of a final report after ECOSOC or the United Nations General Assembly had finished examining questions relating to situations of internal displacement.

Amendments to General Rules VI.1 and X.2(a) of WFP (2001/EB.A/6)

29. After listening to the Secretariat's explanations, the Board decided to amend General Rules VI.1 and X.2(a) of WFP in order to adapt the terminology approved in decision 2000/EB.3/1 on the system of governance relating to the change in name from "Strategic and Financial Plan" to "Strategic Plan". The Board requested that these amendments be sent for information to ECOSOC and the FAO Council.

Information Note on School Feeding (2001/EB.A/7)

30. The Board welcomed the Information Note on School Feeding, in which the Secretariat provided updated information on that initiative. The Board took note of the inter-institutional collaboration in this matter and invited WFP to continue working with other United Nations bodies and other partners. The Board reiterated its support for WFP's school feeding programme, and a number of representatives called on donor countries to collaborate on that initiative.
31. The Secretariat advised that a global survey would be carried out in 2001 to ascertain the school feeding situation in all countries; for this purpose, WFP was training young people who were not staff members. In this connection, the Board understood that there were certain technical criteria that guided the selection of participants, but it agreed that WFP should keep in mind a balanced geographical representation in the selection work and also invite a greater number of young people from developing countries. The Secretariat announced that this would be done.
32. In response to the concern expressed by one representative, the Secretariat pointed out that a United States university had been selected as an associate for the global survey in view of the university's being orientated towards agriculture and having experience in extension services.
33. Some representatives referred to the importance of associating the School Feeding Initiative with the mechanisms established to achieve sustainable school education.

FINANCIAL AND BUDGETARY MATTERS

Budgetary Performance Report for 2000 (2001/EB.A/8)

34. The Board took note of the Budgetary Performance Report for 2000 and of the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the FAO Finance Committee. With regard to decision 2000/EB.3/1, the Board agreed that this would be the last annual report of its kind submitted by the Programme. In reply to one of the representatives, the Secretariat stated that it was its intention that information on the implementation of the annual budget be included in the future annual Budgetary Performance Report.



Strategic and Financial Plan (2002–2005) (2001/EB.A/9)

35. After the Executive Director presented the Strategic and Financial Plan for the years 2002–2005, the representatives of the Board welcomed the fact that the document included objectives and result-based indicators.
36. Other issues raised by the representatives of the Board were as follows:
- the importance of beneficiary countries' stepping up their financial contribution and paying a share of local costs;
 - the importance of promoting the principle of cost-sharing in special operations so as to prevent a deficit in resources;
 - that the coordination and consultation of other organizations in the United Nations system, including the Office for the Coordination of Humanitarian Affairs (OCHA), should constitute one of the priorities of Annex III in the document;
 - the usefulness of a thematic evaluation of the PRRO category, especially for transferring experience in crisis strategies to rehabilitation in the operational guides for planning such operations;
 - the concern that WFP's great dependence on a single donor might prevent guaranteeing the sustainability of resources for emergencies; and
 - the limited drafting of the document's section on globalization.
37. The Board discussed the comparative advantages of food aid for development, emphasizing that it fell within WFP's double mandate and within the Enabling Development policy approved by the Board.
38. In response to a number of questions from representatives of the Board, the Secretariat pointed out that for 2001 it was anticipated that the totals intended for development projects would increase, in a scenario where resources were still on the decrease, owing to the effect of the implementation of the School Feeding Initiative and of the resources assigned for that purpose.
39. One representative asked for an indicator to be included in the Strategic Plan that would link the value of local and regional purchases to the total food aid granted by WFP. The Executive Director suggested that this subject be discussed more fully.
40. The Executive Director reported that account would be taken in special operations of the infrastructural limitations and bottlenecks that prevented the flow of food aid to beneficiaries, and that in order to achieve its objectives, WFP could very often not wait for another institution to address infrastructure problems. Reference was likewise made to the need to be flexible in cost-sharing.
41. The Board approved the Strategic and Financial Plan, 2002–2005. In this framework, it was agreed that the growth in assistance to school feeding should take account of efforts to ensure the required supplementary activities in related sectors, and it was decided that this should be set out in this way in the approved Plan.

Amendments to the WFP Financial Regulations on the Operational Reserve (2001/EB.A/10)

42. Despite the proposed amendment to the Financial Regulations having been recommended by the External Auditor and by the ACABQ and the FAO Finance Committee, some representatives expressed concern that the proposal might encourage



donors not to meet their obligations, or to contributions' being used for projects that those donor countries did not wish to finance.

43. The Secretariat gave an assurance that collecting on confirmed contributions was of great importance and explained that strict internal control was maintained over unpaid amounts. Only when all efforts to collect funds failed were those contributions considered uncollectable.
44. The Secretariat emphasized that the proposed amendment was intended to foster the Board's participation where funds were withdrawn from the Operational Reserve against unpaid or uncollected funds. It added that this would facilitate transparency and the communication of information. It also pointed out that donors had always fulfilled their obligations and that the contributions were used in accordance with the terms and conditions laid down. It stated that the intention was that the Board could decide, at the request of the Executive Director, to restore the Operational Reserve up to the approved level.
45. After listening to the Secretariat's explanation and arguments, the Board approved with immediate effect revised Financial Regulation 10.6, which appeared as decision 2001/EB.A/10. It likewise took note of the amendment relating to the detailed Financial Rule 110.1, described in document WFP/EB.A/2001/5-C/1.

Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rules XII.4 and XIII.4 (g)) (2001/EB.A/11)

46. After the presentation of the Deputy Executive Director, the Board took note of, and expressed thanks for, the report presented. The representatives did not make any observations.

Cash Management Report (2001/EB.A/12)

47. The Board expressed thanks for the Secretariat's report on cash management and took note of its contents. Many of the representatives voiced their concern regarding the balances of the cash and investment accounts in relation to WFP's total resources, and asked a number of questions about the management and handling of the investments, WFP's investment policy and the exact level of the investments and the returns on them.
48. In relation to the investment policy, the Secretariat stated that an information note had been presented to the Board in 1998. It added that there were three main premises: preservation of capital, liquidity and adequate returns. It gave an assurance that investments took place when there were available unused resources and that, in accordance with WFP's financial regulations, interest was deposited in the General Fund.
49. The Secretariat also advised that the balances reflected in the document were provisional and that from the breakdown of the balance of US\$971 million in the cash and investment accounts, it emerged that the bulk of that figure corresponded to commitments already made and to specific needs, such as the Operational Reserve and the liabilities corresponding to medical insurance after severance from service. In reply to a representative, the Secretariat advised that there were different special accounts yielding funds in the Miscellaneous Income category of the General Fund.
50. Some representatives asked for clarification on the situation regarding the common services agreement with the International Fund for Agricultural Development (IFAD) as regards investment management. The information was provided that, on the basis of consultation between the internal audit offices of IFAD and WFP, the Secretariat had



decided to postpone conclusion of the proposed agreement in order to examine the subject in more detail.

51. Many representatives expressed the need for the subject of cash management to be debated periodically and fully by the Board owing to the substantial level of financial resources involved in WFP investments.
52. The Board agreed with the Secretariat's proposal to present a report every two years, together with the confirmed biennial accounts, from the two-year period 2000–2001, in order to promote a debate on cash management.
53. The Board took note that the Secretariat would continue using suitable procedures and best practices in connection with the management of cash and investments, both at headquarters and in WFP country offices, and that it would submit for discussion by the Board, as early as 2002, if possible, a substantive document on the level of financial investment and WFP's financial investment policy.

EVALUATION AND MONITORING WORK PLAN: 2001–2002

Evaluation and Monitoring Work Plan: 2001–2002 (2001/EB.A/13)

54. In view of the fact that the document was submitted for information and that no representative had asked for it to be discussed, the Board took note of the document presented by the Secretariat on the Evaluation and Monitoring Work Plan for 2001–2002.

ADMINISTRATIVE AND MANAGERIAL MATTERS

Report on Post-delivery Commodity Losses for the Period 1 October 1999–31 December 2000 (2001/EB.A/14)

55. The representatives congratulated the Secretariat for having secured a major reduction in post-delivery losses for the second year running. The Board urged the Secretariat to continue its efforts to ensure that losses were reduced even more. Likewise, it agreed that the Secretariat should adopt the measures necessary for securing monetary reimbursement from those governments that had suffered commodity losses through negligence, and that it should inform the Board on this yearly.
56. The Secretariat pointed out that among the means being deployed to reduce losses were the following: (a) WFP's supervisory services; (b) the application of COMPAS, WFP's commodity tracking system; (c) the opening of a greater number of sub-offices to extend the food aid monitoring activity; and (d) the training of WFP staff and counterparts in food storage and management techniques, with support from a donor country.
57. The Secretariat pointed out that WFP had sent official letters to beneficiary governments where there were losses over 2 percent, and that the general reaction had been very positive. One representative asked for more information concerning the corrective measures taken by countries where there were commodity losses. Another representative suggested that the concept of reimbursement for commodity losses be included in agreements with beneficiary countries.
58. One representative expressed concern that losses regarded as post-delivery could frequently be the result of earlier problems, especially in packaging. Another



representative questioned if the 2-percent tolerance level that was applied to post-delivery losses was adequate or if it should be revised.

59. Some representatives voiced concern regarding post-delivery losses in Bangladesh, which were still being investigated. The Board obtained the necessary guarantees that WFP, food aid donors and especially the high-level authorities of that country were studying the case very seriously.

Composition of WFP International Staff and Higher Categories—Personnel Statistics Report as at 31 December 2000 (2001/EB.A/15)

60. In view of the fact the document was presented for information and that no representative asked that it should be discussed, the Board took note of the document presented by the Secretariat on the composition of WFP's international staff, including the personnel statistics report.

OTHER BUSINESS

Funding Arrangements for United Nations Staff Safety and Security (2001/EB.A/16)

61. The Board took note of the information that appeared in the document on the means of financing United Nations staff safety and security (WFP/EB.A/2001/INF/9).
62. The Executive Director spoke at length, making the point that staff safety and security was a subject of utmost importance, so that it had to be suitably addressed. Reference was made to the scant funds approved by the General Assembly for the annual budget of the United Nations Security Coordinator's Office (UNSECOORD); the commitment and interest of the Secretary-General in this connection and his recommendations to the General Assembly; the level of coordination between agencies working in the field (UNHCR, UNDP, UNICEF and WFP) and the importance that these agencies attach to this subject; the difficulties of cost-sharing; and the need for the United Nations General Assembly to prioritize this matter adequately within the framework of its budget.
63. The Executive Director pointed out that for the Third Regular Session of the Executive Board, which would be held in October 2001, she would propose a number of options for bolstering WFP staff security resources.
64. The Board expressed its support for the Secretary-General's efforts to improve staff security and protection and shared the Executive Director's deep concern in this regard. It urged her to continue fighting for staff security in all suitable fora.
65. The Board agreed that, as long as the United Nations General Assembly did not adopt another decision concerning the means of financing the United Nations safety management system, a mechanism for contributing to costs should be established that was as fair and efficient as possible, as recommended in General Assembly resolution A/55/238.
66. The Board authorized the Executive Director to undertake the necessary financial commitment and pointed out that it would examine the matter again when debating the budget during the Third Regular Session, 2001.



Report of the Joint Meeting of the Executive Boards of UNDP/UNFPA and UNICEF (with the Participation of WFP) (2001/EB.A/17)

67. The Board took note of the Report of the Joint Meeting of the Executive Boards of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNPF) and the United Nations Children's Fund (UNICEF), with the participation of WFP, and requested that it be submitted to ECOSOC.
68. Some representatives referred to the proposal for the harmonization of the projects and programmes of the Executive Boards of UNDP/UNPF, UNICEF and WFP. After listening to the opinion of the Secretariat, the President pointed out that this topic had to be dealt with by the Executive Board in future, and with this in mind drew attention to the need for consultations to continue between the lists and within the Bureau.

