

2021 first regular session of the Executive Board

Virtual session

Opening remarks by the Executive Director

D. Beasley, Executive Director: Mr President, thank you. It is great to be with you this morning and let me welcome you to your new role and task. The previous President led us to a Nobel Peace Prize, so I wish you every success as you take over from him.

Ambassador Seidenberger, thank you for your leadership, thank you for your friendship. Everyone knows your zeal and passion for helping those around the world, and in Germany as well - we are so grateful for that. Thank you very much.

I look forward to seeing from Peter Maurer, President of the ICRC, in just a little while. Peter has been a great friend to WFP. I remember the first time I ever met Peter. We were in Yemen, at the height of the war. I was sitting down at a table with Peter and within about five minutes I realized I had got a new friend, because Peter speaks his mind. He says what he thinks needs to be said and he does not hold back, and for that he has been a tremendous leader and a good friend and a good mentor to me.

We have got many guests from around the world joining us as observers, such as Andrew Morley, President of World Vision International, and a lot of WFP's friends from Capitals around the world. We are grateful for that because you provide most of our money, and so we need for you to be fully engaged, informed and, hopefully, inspired by all that we are doing at the World Food Programme.

As Ambassador Seidenberger mentioned, 2020 was a very difficult year. I think we are all just shocked at what COVID-19 brought to the world. We were already facing extraordinary problems with war and conflict and climate change and then, on top of all that, comes COVID-19, bringing tragedy around the world.

I remember when I was asked to speak to the United Nations Security Council back in April of last year, I do not think any of us had a full appreciation of the reality that we were facing. As I explained to the Security Council, we were facing tragedy if we did not respond strategically, quickly and effectively. Fortunately, very fortunately, we were able to avert famines of biblical proportions. We were able to avert mass migration and destabilization, because leaders around the world responded in so many different ways.

Let me just touch on a few of them. The funding that we received reached extraordinary numbers, and I will talk more about that later, but the world leaders responded with about USD 19 trillion worth of stimulus – economic stimulus, fiscal stimulus, and Central Bank support. That is equivalent to 20 percent of the global GDP. That had a dramatic, positive, dynamic impact.

The IMF and G20 nations, for example, suspended debt payments until April and/or June of this year, and that allowed all those monies from developing nations to go into safety net programmes. WFP alone worked with over 50 countries, just on safety net programmes, to adjust delivery modalities to meet the extraordinary needs that we were facing in 2020.

Many people do not realize - though of course Board Members do - that WFP is the humanitarian logistics backbone for the United Nations and NGOs. We delivered 145,000 cubic metres of COVID-19 supplies, PPE, testing equipment, gowns, you name it, to over 170 countries, as well as around 28,000 passengers to 68 destinations. These people included doctors, first responders, nurses as well as ambassadors and others, because the airline industry was all but shut down in many, many countries.

As a result of all the support, we were able to reach the highest number of people we have ever reached in the history of our organization, 114 million people. With all of the unprecedented challenges we faced in 2020, we still had extraordinary success.



2021 first regular session of the Executive Board

Virtual session

But 2021, I am afraid, as you know, is very worrisome. What we thought we would see in 2020 we managed to avert. We were thinking that COVID-19 would be over by 2020 but, unfortunately, it is cycling again and again. Hopefully, the vaccine will bring an end to COVID-19, but in the meantime it is having a tremendous economic ripple effect as well as supply chain disruption around the world.

Let me just touch upon a couple of these numbers so you can see what we are extremely concerned about. The number of people marching to the brink of starvation has gone up from 80 million when I arrived in 2017, to 135 million, pre-Covid. That is people at IPC Level 3, 4 and 5 marching towards the brink of starvation. There are a further 700 million people who are chronically hungry.

The number of severely hungry people rose from 80 to 135 pre-COVID-19 because of man-made conflict and climate extremes, primarily. Then, on top of that, comes COVID-19 and the number spikes to 270 million people. Now, just to give you a glimpse of the economic ripple effects - according to the World Bank global family income alone has dropped by USD 3.7 trillion.

Imagine the impact that is having on the poorest of the poor. Then let's look at remittances, about USD 950 billion globally for formal and informal remittances. This total could drop by up to 30 percent. That is USD 200 million to USD 300 million that will no longer be sent to loved ones, in particular to families living in developing nations, where remittances account for a substantial part of GDP and loved ones depend on these payments to eat.

In addition, we are also a spike in food prices. Maize prices are up 45 percent year-to-year, and now we are looking at wheat, a 20 percent increase. Inflation is 20 percent or more in many countries, while export duties are now starting to be imposed by some countries.

As a result, supply chain disruptions are taking place, especially at critical cargo entry points, whether it is ports or distribution centres or border checkpoints, and our teams are working on these issues. But as you can imagine, the coping capacity for the poorest families is very, very difficult now, with so many poor people having lost everything they have. They cannot reach back into a pantry full of food, like most people with wealth can.

At the same time, the amount of monies available, not just from families and individuals themselves, which is most important, but also the monies available in the form of contributions from governments, are likely to be lower for 2021.

I must say, I have been quite surprised that there has not been a single donor nation yet that did not want to maintain their commitment to WFP and the people we serve. However, we know reality is as it is, and it will be very difficult for some to maintain current support in the coming year.

Against this background, let me just run through a couple of the food insecurity numbers for 2021. As I said, we estimate that 270 million people in 79 countries are at IPC levels 3, 4 and 5. Thirty-four million people in 40 countries are at IPC levels 4 and 5. Thirty-four million people, most of whom depend on us 100 percent. You can imagine, these people are now knocking on the door of famine.

Let me just give you a couple of country examples. In the Democratic Republic of the Congo, 5.7 million people are at IPC levels 4 and 5. In Yemen, it's 5 million people. Afghanistan, 4.3 million people. In Sudan, 2.2 million. South Sudan, 2.5 million.

And I could keep going and going and going. Afghanistan now has 17 million people at IPC levels 3, 4 and 5, which is 42 percent of the entire population - but we only have 30 percent of the funding that we need. Madagascar is facing its worst drought since 1981. Nearly a million people with hardly anything to eat at all, some surviving only on the roots they can find.



2021 first regular session of the Executive Board

Virtual session

I have also just visited the Tigray region of Ethiopia, where I have been trying to raise awareness of the grave humanitarian situation there, while also meeting Ethiopia's leaders.

This latest crisis is on top of everything else going on there. In Ethiopia, we were already supporting 4 to 5 million people, and now with events in Tigray, it compounds an already difficult funding situation. We have made a major breakthrough by gaining humanitarian access into Tigray, but it is only a start. We were able to move some supplies in, unlike before, but at the same time, we have got a lot of work to do there.

We have agreed to scale up to about a million people inside the Tigray region. Now, we have coordinated with the NGOs and the Government to reach every single person, to see that every single person in need is reached in a very complicated conflict area. One of the things that I was very concerned about was the lack of logistics capacity, for the Government and NGOs to be able to move this amount of cargo, including food, medicines, etc., into this region.

So, we have agreed to supply logistics, about 240 to 250 trucks, to move cargo around on behalf of the Government as well as the NGOs. We will also be aiming to reach around 875,000 children. We will need about USD 107 million over six months. So, while many of you are concerned about what is taking place in Tigray, what we need from you immediately is USD 107 million for the next six months.

I am also very concerned about the situation in Yemen, a nation of about 29 million people. We know that there are about 16.2 million people in IPC levels 3, 4 and 5; of which 5 million are in IPC levels 4, and nearly 50,000 in IPC 5. We currently reach, as you know, about 13 million with assistance.

Because of all the complexities and funding constraints that we faced in the last year, we had to reduce rations to every other month for most of the people, and then we were hit with terrorist designation at the beginning of this year, which created a tremendously difficult situation.

We were all hands on deck when the new administration, President Biden's administration, came in. I cannot begin to tell you how many hours upon hours upon hours of meetings that we had, evaluating the situation, trying to determine if the designation were to stay on, could we reach the people we needed to reach. Could we avert famine-like conditions? And the bottom line was that there was no way the private sector could continue to operate and facilitate operations under the terrorist designation.

And so the Biden administration reversed the designation. But that does not take the pressure off anyone, including the Houthis and Ansar Allah. They made certain that we get the access that we need to deliver to the people that we need because famine is knocking on the door right now. But what we are facing right now is a financial disaster. We need an additional USD 519 million just for the next six months.

You must understand, when you are assisting 13 million people, per month, just to avert famine - not what we need to keep everybody healthy and nourished - we need about USD 160 million each month.

We are working with some private sector individuals, hopefully to step up with funds, but fortunately the terrorist designation is off now and we can move forward in this regard. I have also spent a lot of time meeting with the top leaders of the new Biden administration.

When I arrived in 2017, everybody was extremely concerned that the previous administration, the Trump administration, would cut funding and it would be devastating because the United States has historically had a substantial amount of portfolio funding for the World Food Programme.

Fortunately, we were able to reverse that and the United States did not back down. You have heard me talk before about the miracle on Pennsylvania Avenue: the Republicans and Democrats came together and actually last year we had the largest funding from the United States in our history,



2021 first regular session of the Executive Board

Virtual session

at USD 3.7 billion. I am also looking at Ambassador Seidenberger because we had an extraordinary year from Germany as well, receiving over USD 1.2 billion. And many other Board Members also stepped up in extraordinary ways.

I do expect that the Biden administration will be extremely supportive of the World Food Programme in the multilateral world that we live in. I have not met one new person yet that gave me concern about the commitment to the World Food Programme. There is a genuine understanding and desire to make certain that we do not reduce the financial support, that it is maintained at the highest level. Otherwise, we will have massive famine, destabilization and mass migration. It is just that simple.

WFP has done everything we could do in the last few years to up our game in terms of recognizing and responding to the financial realities. We went from USD 5.9 billion, to USD 8.9 billion in revenues as of last year, in 2020. You have heard me talk about how I manage my time. When I arrived we were raising about USD 16 million per day in revenue. Now it is over USD 24 million a day. USD 8 million more per day, 365 days per year. If you want to calculate that on a five-day work week, an eight-hour workday, it will go up substantially. So, you see why I like to manage my time strategically.

We have also substantially improved our contributions from the international financial institutions, from USD 22 million to USD 292 million in just the past year. Private sector fundraising has a long way to go but, boy, it has already come a long way compared to where we were. We have doubled it to USD 161 million as opposed to two years ago, and I anticipate that we will probably triple that this year as well.

As I mentioned, revenues are down around the world due to the impact of the global economic deterioration caused by COVID-19, so our contributions forecast for 2021 is an anticipated USD 7.8 billion for the year. But our needs are double this, we need about USD 15 billion this year to meet anticipated demand. At a minimum, we need to reach at least USD 12 billion in my opinion.

Let me also take this chance to reassure Board Members that, with Covid restrictions hampering normal audit procedures, we have found new ways to implement audit controls. We have completed an internal management assurance project which we have just shared with the Audit Committee. It covered over 90 percent of our field expenditures across eight core functional areas and what it has shown is that we were fully compliant with 89 percent of minimum controls.

Where offices were partially or unable to comply, the risk level has been assessed as moderate or higher in less than 3 percent of cases. In 2021, we aim to get back on the game and have a solid audit programme going forward.

You need to know that your money - that USD 8.9 billion - is being spent well. That is what this is all about - demonstrating effective risk management. We did not even have a risk management division when I arrived, but I set one up because I want to ensure that our risk and control frameworks are being managed properly and that our risk decision-making processes are transparent and robust.

And so I am asking the Leadership Group to periodically consider these issues to make certain that maintain oversight of the protocols, controls and systems in place, to know that we are not just reaching people but we are reaching the right people, effectively, efficiently, in the best way and with the highest integrity.

Another major issue, one also raised by Ambassador Seidenberger, is the need to break down silos. Because the systems that were designed 50 years ago, where you have got a humanitarian silo, and you have got a development silo, are no longer fit for purpose. Both are very important, but today we are all working in much more complex environments.



2021 first regular session of the Executive Board

Virtual session

Our beneficiaries do not care whether they are being assisted with a humanitarian dollar or a development dollar. So we have got systems in place so we can relax these protocols and silos so we can be more strategic, cover more ground, help more people with the same dollar – this is just the WFP way of doing business.

Let me just give you a couple of examples of some of the success we have enjoyed in the past five years. Globally, working with 10 million people each year, our WFP beneficiaries, we have rehabilitated or improved over 3.5 million acres of land. Just imagine, 3.5 million acres.

We have also built or improved 65,000 kilometres of roads. 70,000 kilometres of irrigation canals. 20,000 ponds, wells and reservoirs built. And in the past 50 years with our beneficiaries we have planted over 6 billion trees. You see, we do not talk about green America, greening the world. We do it. We are out there delivering.

Now, let me also touch on cash-based transfers. When I arrived I had actually a pretty serious question about how you do cash-based transfers and protect the systems, which is why we have put in place so much risk management in the last few years, because ten years ago we were doing 10 million worth of cash-based transfers. Today, it's USD 2.1 billion.

Local procurement, just five years ago we were doing USD 315 million, now we are doing USD 950 million of local procurement, and, guess what, around USD 500 million of that was in Africa. Now, you add those two together, the USD 2.1 billion and the USD 950 million, we are now putting over USD 3 billion of liquidity into local markets and economies around the world. I do not know of another organization doing more to change lives and save lives than the World Food Programme.

Thanks to Board Members giving us this flexibility and working with us on the humanitarian–development–peace nexus, we are able to move people from receiving food assistance, toward building and sustaining livelihoods, long-term peace, stability, and sustainable economic development. Our contribution to bringing peace and stability in nations around the world is partly why we received the Nobel Peace Prize.

Even in the midst of COVID-19, when people were having to pull back and leave - well, not the World Food Programme. Safely, we went out there risking our lives because we knew that if we were not there, the people we serve would suffer.

The Nobel Peace Prize sent a very clear message. Number one, thank you to the 20,000 women and men of WFP who put their lives at risk every day, thank you for what you have done. Number two, this is a call to action because the Committee knew 2021 was going to be a very difficult year. And it is going to be a difficult year. But if we get the funds that we need, we will be ready to step up and do what we need to avert famine, destabilization and mass migration.

In return for the dedication and commitment our employees show every single day, we owe it to them to ensure that they benefit from a strong and healthy workplace culture. And that means being people-centred, and taking care of our people. When I arrived, we had less than 20,000 people, that is for sure. But now we have 20,000, give or take, and out of that 15,000 work in their home countries, they are national employees.

And I was a little surprised at how many of them were on service contracts, even though many of them had been serving for years and years. Well, we know it is not so easy. It is a financial cost. But it is also about being fair. It is also about treating our WFP family with respect and doing what is right.

Around half of our national employees are on service contracts. So I am now asking all of my regional directors and country directors to review all our personnel that have been here five years or more, with respect to moving them to fixed-term contracts. That is about 2,400 people



2021 first regular session of the Executive Board

Virtual session

that should go from short-term or service contract to a fixed-term appointment. And that, my friends, is something we are going to do, because we take care of our people, our family.

We have also been working, as an organization, to make progress in the area of gender parity. You have heard me talk about it before. I was quite shocked when I arrived at the United Nations. I would have thought the United Nations would have already accomplished gender parity, only to be surprised that it had not. Well, we've made progress since 2017. We have taken our gender parity numbers from 34 to 40 percent in just three, four years. We have added over 2,811 women to our payrolls in just the past few years. The nationals are now at 37 percent and internationals now at 45 percent.

We are also taking action to ensure that no one at WFP is subject to racism or discrimination of any kind. We are determined to make certain that every single person working at the World Food Programme is respected as a brother and a sister; that as a family, we take care of our own, respect our own, and at the same time also protect the beneficiaries out there.

One of the last issues I want to touch on before I close is the topic of vaccines. I am gravely concerned about the number of vaccines that we need to do our job. It would be like you call the fire station and they say, we can't come to fight the fire because we haven't been vaccinated. Well, at WFP we do not have that luxury because people will die if we are not out there delivering life-saving assistance and doing what we do best.

So we need vaccines for our people. In Italy, for example, they have already administered 3.5 million doses. We have been allocated enough for 16 people. We cannot operate effectively with 16. We need at least a couple of hundred for headquarters employees alone, because our men and women here are moving in and out of the field in emergency operations all the time.

They need to be in Tigray, they need to be in Afghanistan to support our teams - but our people on the ground also need to be vaccinated. We have an obligation to make certain that each and every one of our employees working with large numbers of people get the vaccines that they need so that they can stay healthy and continue their life-saving work.

We have already lost some of our friends and colleagues to this COVID-19 disease and, now with the vaccine, we should not need to lose any more at all. So I am asking our Board members to help. If we could just get 10 or 15 vaccines from each Board member - we need any support you can give us to access the vaccines our critical staff need.

Mr President, I think I have spoken for long enough so let me now draw my remarks to a close. I ask our Board members: hold us accountable, hold us to the highest standards, ask us the toughest questions so that we can be the best of the best, and so that we can help as many people as possible and achieve everything that Nobel Peace Prize recognizes the World Food Programme is capable of. With your support, with your help, with your collaboration, we will have the inspiration and encouragement to achieve our goals for 2021 on behalf of the people we all serve.

Mr President, thank you very much.

