

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Second Regular Session**

Rome, 7–11 November 2005



Distribution: GENERAL
WFP/EB.2/2005/15
24 February 2006
ORIGINAL: ENGLISH

SUMMARY OF THE WORK OF THE SECOND REGULAR SESSION OF THE EXECUTIVE BOARD, 2005

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 the document WFP/EB.2/2005/14.

This document is printed in a limited number of copies. Executive Board documents are available on WFP's WEB site (<http://www.wfp.org/eb>).

TABLE OF CONTENTS

	Page
CURRENT AND FUTURE STRATEGIC ISSUES	
2005/EB.2/1	1
2005/EB.2/2	3
POLICY ISSUES	
2005/EB.2/3	4
2005/EB.2/4	5
2005/EB.2/5	5
2005/EB.2/6	6
2005/EB.2/7	6
2005/EB.2/8	6
RESOURCE, FINANCIAL AND BUDGETARY MATTERS	
2005/EB.2/9	7
2005/EB.2/10	7
2005/EB.2/11	8
2005/EB.2/12	9
2005/EB.2/13	9
2005/EB.2/14	10
EVALUATION REPORTS	
2005/EB.2/15	10
SOUTHERN AFRICA REGIONAL PORTFOLIO	
EVALUATION REPORTS	
2005/EB.2/16	11
OPERATIONAL MATTERS	
2005/EB.2/17	11
EAST AND CENTRAL AFRICA REGIONAL PORTFOLIO	
OPERATIONAL MATTERS	
2005/EB.2/19	12
2005/EB.2/20	13



ODS PRESENTATION ON THE SITUATION IN SUDAN	13
ASIA REGIONAL PORTFOLIO	
EVALUATION REPORTS	
2005/EB.2/21 Real-time Evaluation of WFP's Response to the Indian Ocean Tsunami— December 2004–June 2005	14
OPERATIONAL MATTERS	
2005/EB.2/22 Budget Increases to Protracted and Recovery Operations for Executive Board Approval — Indonesia 10069.1	14
2005/EB.2/23 Budget Increases to Protracted and Recovery Operations for Executive Board Approval — Sri Lanka 10067.1	14
MIDDLE EAST, CENTRAL ASIA AND EASTERN EUROPE REGIONAL PORTFOLIO	
OPERATIONAL MATTERS	
2005/EB.2/24 Protracted Relief and Recovery Operations for Executive Board Approval — Afghanistan 10427.0	15
WEST AFRICA REGIONAL PORTFOLIO	15
LATIN AMERICA AND THE CARIBBEAN REGIONAL PORTFOLIO	
OPERATIONAL REPORTS	
2005/EB.2/27 Protracted Relief and Recovery Operations for Executive Board Approval — Guatemala 10457.0	15
ORGANIZATIONAL AND PROCEDURAL MATTERS	
2005/EB.2/28 Biennial Programme of Work of the Executive Board (2006–2007)	16
ADMINISTRATIVE AND MANAGERIAL MATTERS	
2005/EB.2/29 Revised Delegation of Authority to the Executive Director for Approval of Projects and Budget Revisions for Development Portfolio	17
OTHER BUSINESS	
Presentation of United Nations Response to Avian Flu	17



CURRENT AND FUTURE STRATEGIC ISSUES

Current and Future Strategic Issues (2005/EB.2/1)

1. The Executive Director welcomed Board members and observers and began by observing that WFP was as stretched as it had ever been in responding to recent disasters. Despite the generosity of donors, needs were outweighing the available funding. The costs of food and ocean freight were increasing rapidly, seriously affecting WFP's costs. These changes in the international market also increased the food import bill of developing countries, underlining the importance of the Doha Round and WFP's role in defending the interests of hungry people; 45 percent of all food aid was delivered to countries that were not members of the World Trade Organization (WTO). WFP recognized that the need for innovative funding and approaches remained urgent; WFP accepted both cash and in-kind donations in its efforts to reach all those in need.
2. Preparedness was a priority: WFP aimed to create the capacity to respond to up to three major emergencies in a year. It was working to extend standby partnerships with more countries, particularly with national and regional entities, and to make more experienced personnel available in emergencies. The Executive Director highlighted the importance of improving early-warning systems, contingency planning, emergency needs assessments (ENAs) and vulnerability analysis and mapping (VAM). The pilot drought insurance project in Ethiopia could lead to a change in the way the humanitarian community prepared for crises and could accelerate responses.
3. The Immediate Response Account (IRA) and Central Emergency Revolving Fund (CERF) funding facilities had been drained by recent emergencies to an all-time low level: donor support was sought to replenish them so that WFP could respond quickly in a crisis; funding could be 30 percent more effective if committed in the first days of a crisis. The Executive Director thanked donors who had helped to maintain these emergency funding sources.
4. In Pakistan WFP was facing its greatest logistical challenge ever. WFP had 256 staff on the ground racing against time to reach communities affected by the earthquake and pre-position food before winter. WFP would look after 1 million of the 2.3 million people at risk. WFP was using helicopters to transport food and vital equipment, despite the high cost, as the only solution for isolated mountain areas. The response to Hurricane Stan in Central America required assistance for 285,000 people at a cost of US\$14 million. Bad weather in southern Africa had put 12 million people at risk of food insecurity, a problem compounded by the effects of AIDS and reduced capacity among governments to respond. The food supply situation in some of these countries had deteriorated alarmingly. In the Democratic People's Republic of Korea (DPRK), where 6.4 million people were being fed, including 2.7 million children, the Government had declared that emergency food aid was no longer needed, but that development assistance would be welcomed. The Executive Director would be visiting the country to negotiate WFP's future role.
5. WFP food had had an impact: malnutrition in DPRK has been significantly reduced; in Sudan, through partnership with the United Nations Children's Fund (UNICEF), acute malnutrition among children had been reduced to 12 percent; similar progress had been made in Chad. In Darfur, 2.5 million people were being fed, but insecurity continued to challenge efforts. The Executive Director expressed sadness at the recent deaths of two Swiss de-miners, killed as they were working to help WFP improve road transport into Darfur.



6. On the issue of child hunger, the Executive Director stressed that it was a core area of WFP's work; the Board had approved operations to feed more than 50 million children. There was a need for combined approaches to help national governments to make a greater impact on ending child hunger. The World Bank, the Office of the United Nations High Commissioner for Refugees (UNHCR), UNICEF and the Food and Agriculture Organization of the United Nations (FAO) were working together to do this. WFP was working with UNICEF and UNHCR to address the special needs of children and pregnant and lactating women as part of ongoing work to help refugees and internally displaced people (IDPs).
7. The Executive Director drew attention to WFP's move to create an audit committee with external members only, based on good business practice. Work was ongoing to improve working conditions for WFP's national staff, with workshops in 84 country offices held to identify staff concerns. An ombudsman had been appointed and was providing impartial confidential support. WFP remained committed to being the United Nations employer of choice. Security was a continuing problem, however: 135 duty stations were at Phase III. The possibility of an avian influenza outbreak was being taken into account as it could have a considerable effect on WFP's activities.
8. The aim of fundraising efforts in 2004 and 2005 was to raise US\$6 billion. The Executive Director warmly appreciated the generosity of donors, especially new donors and those who had increased their support. The contributions of the top ten donors accounted for a smaller percentage of WFP funding as a result of broadening the donor base, though the amounts donated had increased. Efforts to engage the private sector had resulted in partnerships in 74 countries and several commitments by international figures to become goodwill ambassadors. Efforts were ongoing to increase media coverage of WFP activities. The Executive Director closed by encouraging Board members to visit WFP operations whenever possible to gain an idea of their scale and variety.
9. The floor was then given to H.E. Kuntoro Mangkusubroto, Director, Rehabilitation and Reconstruction Executing Agency for Aceh and Nias, Indonesia. He expressed thanks for WFP's support following the December 2004 tsunami. Aceh and Nias had made great strides in recovery but still desperately needed humanitarian aid: providing housing for the 70,000 families still living in tents was a priority. United Nations support had been critical; WFP was one of the best managed and responsive of all United Nations programmes participating in recovery; its humanitarian air and shipping services had made it possible to reach the devastated areas. In view of the continuing humanitarian emergency, continued support was needed to keep people fed in Aceh and Nias until recovery was complete.
10. The Board unanimously welcomed the Executive Director's remarks and those of H.E. Kuntoro Mangkusubroto; many delegations expressed warm appreciation of WFP's work, including the dedication of its staff and its support in "forgotten" emergencies. The security and safety of WFP personnel were recognized as a major priority. Several delegates stressed the needs to replenish exhausted food stocks in disaster-affected countries, to provide capacity-building for governments and to develop the agricultural sector, particularly in sub-Saharan Africa. The need for early-warning systems was mentioned by a number of delegates. Development partners were needed to address the fundamental causes of long-term food emergencies, especially given that hunger and poverty were still worldwide problems that affected children disproportionately. Noting the high cost of emergency interventions and the dual nature of WFP's mandate, the Board reaffirmed the importance of coordinated action with other United Nations agencies to break the cycle of poverty, reduce food insecurity and mitigate the effects of AIDS. The need for support at the ministerial level was highlighted. The Board recognized the urgent



need to maintain progress towards the Millennium Development Goals (MDGs), and for the resources to do this.

11. The Board praised the work done to improve efficiency, noting particularly the Governance Project, the Business Process Review and the development of the Annual Performance Report and Biennial Management Plan. Several delegates highlighted the need to develop creative funding mechanisms, and welcomed the working-capital financing initiative; some delegates saw the weather-insurance initiative as a significant development. Various delegates stressed the need to maintain the funding of the Immediate Response Account (IRA) and CERF mechanisms and to enhance their effectiveness. The Board noted with satisfaction that the Volcker report's exoneration of WFP in Iraq reflected sound management and high ethical standards.
12. Many delegations agreed that more public-sector and private-sector partnerships and synergies should be sought and strengthened. The needs to increase WFP's visibility in the media and to further broaden the donor base were also stressed. One delegate recommended that WFP should conduct a cost-effectiveness analysis of its spending on fundraising; others considered that such spending brought significant returns in raising awareness of hunger.
13. The importance of local and regional food procurement was highlighted; at the same time, delegates stressed that WFP purchases should not adversely affect local economies. The importance of untied multilateral contributions was highlighted by a number of delegates, who called for further discussion of the issue at future sessions. A number of delegates stated that their governments were increasing their levels of support for WFP in cash and in kind.
14. Responding to the Board's observations, the Executive Director expressed on behalf of WFP his gratitude for the continuing generous support of donor countries. He would send an immediate message to all WFP personnel worldwide conveying the Board's appreciation of their work. The Executive Director gave full emphasis to the fact that WFP raised very large funds for an outlay of less than 1 percent of the amount raised; its fundraising and publicity efforts were extremely efficient in terms of cost and the small number of people involved. The Executive Director appreciated the comments made about the importance of partnerships. He expressed particular gratitude for multilateral contributions received from donors, and agreed that investment in development would enable countries to withstand disasters more effectively. He closed by repeating his appreciation for the ongoing generous support from donors.

Ending Child Hunger and Undernutrition Initiative (2005/EB.2/2)

15. The Secretariat presented the Board with a concept note on the Ending Child Hunger and Undernutrition Initiative, which had been developed by WFP, UNICEF and the World Bank. The heads of WFP and UNICEF had signed the concept note, but at the time of the discussion the Head of the World Bank had not. This initiative was intended to concentrate global resources and support for national efforts to fight hunger. Discussions between the initiating partners had concluded that the problem of child hunger was solvable but currently worsening; special action was needed to develop a framework for finding ways forward.
16. The Secretariat emphasized that governments have the primary responsibility for addressing this problem, but that many lack the necessary resources and technical support, and many have not adequately focused on the problem. The initiating partners would be catalysts to focus efforts on achieving the hunger target in MDG 1; the initiative would also have a significant impact on MDGs 2 to 6. The concept note laid out the steps needed



to produce a plan of action, which would be completed in April 2006. In addition to identifying practical measures to end child hunger, the plan would focus on harmonizing initiatives and would include a concerted outreach strategy to engage other partners. It was not envisaged that new international institutions would be needed. The Board requested the opportunity to review progress on the plan of action in collaboration with colleagues from UNICEF and the World Bank at the February 2006 meeting of the Executive Board.

17. The Board commended the Secretariat's commitment to ending child hunger and undernutrition, reiterating the importance of collaborative efforts to tackle these serious problems. Board members recognized this initiative's focus on assisting girl children and its acknowledgement of the roles of safe water, sanitation and nutrition in ending child hunger. Further discussion and clarification were necessary on several issues as the plan of action was being developed: for example, the roles of each organization needed to be clarified and links with existing initiatives needed to be highlighted. The Board also sought additional information regarding the amount of resources required by each partner organization to develop the plan of action, how WFP's share would be budgeted and the time table for launching the initiative; regional strategies tailored to the context should also be considered.
18. The Secretariat thanked the Board for its thorough discussion of this initiative and gave assurances that the plan of action would be developed through a collaborative process in which the Board would be directly engaged. The World Bank would probably take the lead in designing the resource mobilization strategy. With regard to financial commitments of the initiating partners, WFP was making good progress in the process of identifying the amount that it would be required to spend. The initiative would not be formally launched until after the plan of action was finalized.

POLICY ISSUES

Response to the Evaluation of WFP's Enabling Development Policy (2005/EB.2/3)

19. The Board appreciated the Secretariat's rapid and comprehensive response to the evaluation and WFP's commitment to integrating its recommendations into WFP policies and operations. The evaluation recommendations had also been addressed to donors, WFP partners and national governments, and responses from these would be useful. Some Board members suggested that the evaluation recommendations and proposed actions should lead to improved programme quality in all WFP operations.
20. The Secretariat emphasized the importance of the Enabling Development Policy; for the last five years, the design of WFP programmes and projects has been compatible with this policy's objectives, which were also reflected in the Strategic Plan (2006–2009). It welcomed the evaluation as encouraging greater donor support for WFP development activities at a time when resources for development had been dwindling — further investment in development would greatly improve vulnerable people's capacity to cope with shocks, thereby reducing the cost of emergency interventions.
21. The Secretariat took note of the Board's emphasis on building partnerships in which WFP expertise and resources, including food, are used to maximize the benefits of joint programmes with other United Nations agencies, governments and other organizations. Among its efforts to improve targeting — another issue raised by the Board — WFP was building the VAM capacity of partners and governments and was working on more



effective ways to demonstrate results. A review of progress made in implementing the actions proposed in the response matrix would be presented at the Board's Second Regular Session in 2006.

The Governance Project (2005/EB.2/4)

22. The Final Report on the Governance Project, an effort that started in 1999 with the aim of enhancing the governance of WFP, was presented for the Board's consideration. The Governance Group had overseen the development by the Secretariat of effective tools that enhanced interaction between the Board and the Secretariat. The Governance Group's achievements were commendable and the project could serve as a model for improving governance in the United Nations system. Although the group's mandate was complete, the Board would continue its work to enhance governance in WFP.
23. The Board expressed its gratitude to the Governance Group and the Secretariat for collaborating on this important initiative; WFP was a well managed and efficient organization and its Board was able to make optimum use of its time. Board members particularly commended the streamlined documentation procedures and induction programme for new members. One member highlighted the necessity of striking a balance between delegating authority to the Executive Director and nourishing the Board's sense of ownership through open discussion.
24. Informal consultations before Board sessions were beneficial, providing fora for interactive discussion. Board members requested that documents be made available well in advance of these consultations so that they could be thoroughly reviewed. It was agreed that procedures for presenting Board documents during formal sessions could also be streamlined and follow-up actions resulting from evaluations documented; communication on these and other governance issues would continue. The Secretariat agreed that communication between the Board and the Secretariat would continue to be an important focus and that there was a need to find the best mechanism for the Secretariat to inform the Board about pressing issues.
25. The Board appreciated this discussion and acknowledged the importance of collaboration between the Secretariat and Board members in shaping decisions; informal consultations and meetings with regional directors were especially helpful in this regard. Outstanding issues would be discussed during future Executive Board sessions.

Progress Report on Emergency Needs Assessment Implementation Plan (2005/EB.2/5)

26. The Secretariat reported that assessments had improved since this plan had been implemented. Tools had been developed, pre-crisis baseline surveys conducted and field capacities expanded. Capacity-building and quality enhancement would be the main thrusts for the remaining phases of the implementation plan, with enhanced assessment capacities mainstreamed throughout WFP after 2007. There is a risk of a serious funding gap as of 2006, and adequate funding maintaining enhanced ENA capacity after 2007 would have to be mainstreamed within WFP's core budget.
27. The Board commended WFP's commitment to enhancing needs assessments as a valuable contribution to its emergency-response capacity, and was strongly encouraged by the technical progress being made by the Vulnerability Analysis & Mapping Branch (ODAV). The Board requested additional information on WFP's plans for strengthening links between assessment and programme response, monitoring the accuracy and timeliness of assessments, strengthening relations with other information providers in



vulnerable countries and a cohesive emergency needs assessment and response strategy. The Secretariat would reply to these issues in writing.

Annual Update on School Feeding (2005/EB.2/6)

28. The Secretariat underlined the value of school feeding in increasing enrolment and attendance rates, particularly of girls. Currently, 16 million children were being fed in 72 countries; the goal was to increase this to 50 million by 2007. Generally, school feeding programmes were handed over to national governments after two to eight years of operation. WFP was focused on delivering an “Essential Package” of related interventions, implemented together with other United Nations agencies.
29. Responding to issues raised by the Board, the Secretariat emphasized the value of building regional alliances, particularly in the Sahel where support for the Sahel Alliance had been low; an action plan was needed for this. School feeding and education in emergencies were being improved in a number of ways. WFP’s role in joint programmes was generally as a food provider, and WFP was not usually involved directly in non-food interventions. The Board expressed its support for WFP’s work in building human capital through school feeding.

Update on the Implementation and Achievements of the MOU between WFP and NEPAD (2005/EB.2/7)

30. The Board welcomed the paper on implementation and achievements in the Memorandum of Understanding with the New Partnership for Africa’s Development (NEPAD) submitted by the Secretariat and congratulated WFP on the support provided so far for NEPAD. It endorsed WFP’s continuing role in combating the root causes of food insecurity and malnutrition. The Board acknowledged that the NEPAD/Comprehensive Africa Agriculture Development Programme framework, an African-led initiative, provided a new opportunity for better coordinated collaboration. It invited WFP to continue to work with NEPAD and regional economic communities (RECs), at the request of individual countries, towards the implementation of NEPAD.
31. The Board encouraged WFP to continue its contribution to reducing hunger and malnutrition, improving access to education through the home-grown school feeding programme, strengthening institutional capacity among RECs and countries in emergency preparedness and response, including VAM and needs assessment, and supporting countries in improving the design and management of their food-security programmes. The Board requested the Secretariat to contribute to a more gender-balanced approach. The Secretariat was also asked to keep the Board regularly informed with regard to further developments and achievements.

Common Country Programme Approach (2005/EB.2/8)

32. The Secretariat’s aim was to present the new common country programme document (CCPD) approach to the Board in preparation for future discussion and clarification as to how it would fit into the existing approval system. The Boards of UNICEF and UNDP/the United Nations Population Fund (UNFPA) had already started such discussions, and the WFP Secretariat was awaiting the results of these.
33. The Board noted the Executive Director’s approval for a development project in Cape Verde. It welcomed the common country programme approach as a tool for reinforcing combined action among United Nations funds and programmes and for promoting national ownership of programmes, and invited the Bureau to examine in collaboration with the



Secretariat how the Board's oversight and budget responsibilities would be safeguarded under the new approach, and to report back at the Board's Annual Session in 2006.

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

WFP Biennial Management Plan (2006–2007) (2005/EB.2/9)

34. The Secretariat introduced the Management Plan in terms of its three main thrusts: (i) building capacity to cope with three emergency situations at once; (ii) improving management and technical support in the field; and (iii) addressing the risks and weaknesses identified in the Strategic Plan. It forecast that US\$6.4 billion would be needed to cover approved projects and their logical extensions, support expenditures and other expenditures in 2006-2007.
35. In addition the plan proposed two policy changes to allow country offices retain 100 percent of government counterpart cash contributions and to enable the carry-over of Programme Support and Administration (PSA) funds from one budgetary period to the next.
36. The Board supported WFP's focus on emergency response, decentralization and strengthening of country offices. In endorsing the plan, the Board requested clarification of several points, to which the Secretariat responded. WFP's growth was due mainly to the shift from emergency operations (EMOPs) to protracted relief and recovery operations (PRROs), especially those involving refugees and displaced people. The Secretariat would prepare an analysis of actual costs in 2004-2005 to provide the Board with insight into WFP's cost structures. This would include the variability of transport and food costs and a discussion on WFP's ability to maximise its purchasing power, and would provide the missing indicators for results-based management (RBM).
37. Indirect support costs (ISC) recoveries (currently at 7 percent) to cover the PSA Budget provide WFP with its only source of financial stability for overheads. Carrying over unspent PSA from one Biennium to the next would avoid the current need to spend funds by 31 December which causes a spending increase in December and probably less than optimum use of funds. The Board decided to allow carry forward of up to US\$7 million of PSA expenditures originally budgeted for 2004-2005 into 2006 at the Executive Director's discretion. This would be funded from the PSA equalization account. It also approved an ISC rate of 7 percent for 2006-2007 on the understanding that the ISC rate would be reviewed at the Annual Session of 2006.
38. To allow for the incorporation of Board members' comments into the next Management Plan for presentation at the Second Regular session, consultations would have to start in May or June of 2007. The Bureau will provide recommendations on the process and time line for the preparation of the 2008-2009 Management Plan.
39. WFP was committed to increasing its contingency planning, which included stand-by partnerships with governments and other agencies. Investing in fundraising, as elaborated by the secretariat, brought very high returns. Efforts to expand the donor base had led to significant increases in emerging donors and the private sector and had reduced dependence on the current major donors.



Funding for Effectiveness (2005/EB.2/10)

40. Presenting the paper, the Secretariat stated clearly that WFP needed more resources to meet beneficiaries in approved programmes. All contributions were welcomed to meet assessed needs, but the ideal contribution was one that is predictable, multilateral, untied, made early in the donor's fiscal year and preferably in cash. This would give WFP greater flexibility in allocating resources to operations and enhance its effectiveness. Currently only 5 percent of contributions were provided multilaterally, in cash and without restrictions. WFP was proposing to work with donors to have 30 percent of all contributions in this form by 2007, and had offered to collaborate with them on individual visibility packages as a step towards achieving this.
41. Members appreciated WFP's efforts to raise more multilateral resources and recognized its needs for flexibility and predictability. The importance of accurate needs assessments in this context was stressed; innovative funding methods such as twinning and multi-year funding were also needed. Some members stated that WFP should bear in mind that in-kind food donations sourced from international markets were at times more costly than those sourced locally, and emphasized that WFP should always avoid situations in which food aid deliveries could distort markets. One member questioned whether the aim of having 30 percent of contributions in the form of multilateral cash donations would be sufficient, and indeed if it were achievable. The need for consultation with donors on the issue was emphasized, particularly regarding the use of contributions for funding development; government requirements in some cases limited cash allocations in the flexible multilateral form that WFP favoured.
42. The Secretariat noted that it was working with the private sector on bag markings that could be done at the field level, while at the same time requesting donors for whom this was not an important visibility tool to consider alternative options for recognizing their contributions.. The need to adhere to the principles of good humanitarian donorship was stated by some members. Some delegations felt that the paper could have made the advantages of multilateral funding clearer and spelt out the strategy more fully.
43. The Board agreed that the final decision should refer to the fact that it would approve the content and format of the standard project reports (SPRs) at its Annual Session in 2006.
44. The Secretariat appreciated the Board's support and its proposals for future consultation on the issue. WFP understood the value of local food purchases, and would be able to make more of them where appropriate. A paper on food procurement in developing countries was in preparation and would be discussed at the Board's First Regular Session in 2006. Essentially, WFP needed the freedom to allocate resources without too many restrictions; multilateral donations made it much easier to do this and thereby enhanced the effectiveness of operations. The Secretariat stressed that the SPRs had the effect of reducing the time, resources and expense of reporting, emphasizing that they were living documents that could be developed to suit donors' needs; the matter would be discussed with the membership during 2006.

International Accounting Standards (2005/EB.2/11)

45. The Secretariat introduced the document on International Accounting Standards, which was a follow up to the External Auditor's report and Board decision from the First Regular Session in 2005. The document explained the benefits to WFP of adopting independent international standards, proposed a transition to international accounting standards and described the action taken by WFP in collaboration with other organizations in the United Nations system. The Secretariat explained that the United Nations Task Force on



Accounting Standards had recently recommended that United Nations system organizations adopt International Public Sector Accounting Standards (IPSAS) from 2010.

46. The Board welcomed WFP's proposal to adopt international accounting standards as a way of increasing transparency and efficiency. Responding to concerns raised by the Board, the Secretariat explained the challenges for United Nations system organisations of introducing international accounting standards, particularly in the treatment of assessed or voluntary contributions and in the capitalization and depreciation of assets. Under IPSAS there would be increased transparency, because such matters would be presented to a uniform standard. The Secretariat agreed that there would be some cost implications, for example in preparing audited financial statements on an annual basis, but no increase in ISC was anticipated. The Secretariat confirmed that it was unlikely that there would be any impact on donor reporting. The Board highlighted the need for WFP to continue working with other United Nations organizations and to continue to seek the advice of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the FAO Finance Committee.

Appointment of the External Auditor (2005/EB.2/12)

47. With regard to appointment of the External Auditor, the Board considered reports from the FAO Finance Committee and ACABQ; the latter report stated that a competitive bidding process was required for the Auditor's re-appointment to a second term or alternatively, a change in the existing rules. The Bureau believed that, of the two options, only the launching of a competitive bidding process was possible. It had noted that it would be time consuming. Also the performance of the External Auditor had been satisfactory.
48. In view of the length of time required for a tender procedure, Board members opted for the re-appointment of the External Auditor for a second term and requested that financial regulations regarding this appointment be clarified.
49. The Board approved the re-appointment and invited the Bureau to prepare for the Board's decision the necessary changes in legal texts to clarify the procedures for re-appointment.

WFP Enterprise Risk Management Policy (2005/EB.2/13)

50. In October 2003, the Board had encouraged WFP to introduce risk management as a means to ensure that it could achieve its aims in an uncertain and risky environment. In setting out a systematic approach to organization-wide risk management, the Enterprise Risk Management policy was a milestone in this direction and the first of its kind in the United Nations system. The principles were that risk management was an essential element of corporate governance, that WFP operated in high-risk environments and would continue to do so, and that ownership of risk management rested with WFP management. Implementation of the policy was based on three pillars: (i) WFP's enterprise risk management (ERM) framework would be based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM integrated framework; (ii) risk management would be integrated with major corporate processes and functions; and (iii) the Executive Director would be responsible for implementation. Substantive work had already been done to create awareness of risk management among staff.
51. The Board commended the Secretariat and welcomed this systematic and innovative approach. Board members noted that it was a good first step in instituting a culture of risk management in WFP and expressed their continued support. In particular, Board members advised the Secretariat to: (i) integrate risk management with existing and new corporate



processes, including the individual level through the Performance and Competency Enhancement Programme (PACE); (ii) consider systematically the various types of risks to which WFP would be exposed, determine its tolerance for risk and uncertainty, and set out strategies to manage these; (iii) evaluate the effectiveness of risk-management arrangements; (iv) consider the financial implications; (v) recognize the important role of executive staff in risk management, including budgetary considerations; and (vi) involve all staff and relevant stakeholders.

52. The Secretariat appreciated the Board's support and advice. Supplementary guidance was being set out to develop the policy and its implementation, taking account of the points raised by Board members, and would be made available to all WFP staff. Management was engaged in mainstreaming risk management. In particular, the important role of the executive staff in setting the tone was underlined.

Review by the External Auditor of the Dubai Support Office and Fast Information Technology and Telecommunications Emergency and Support Team (FITTEST) (2005/EB.2/14)

53. WFP's External Auditor presented a Review of the Dubai Support Office and Fast Information Technology and Telecommunications Emergency and Support Team (FITTEST) for the Board's consideration. Summarizing the review, the Auditor highlighted the strengths of the Dubai operations and stressed that the new managerial and structural approaches, and the use of new contractual arrangements presented WFP with additional risks. There were considerable benefits, but there were also costs associated with the flexibility of these arrangements.
54. The Secretariat noted that a management response to the review was being prepared for presentation to the Board. Board members thanked the External Auditor for preparing the report and particularly noted his recommendations regarding independent review of contractual procedural arrangements and development of a robust cost-identification model and charging mechanisms. The Board stressed the importance of risk management and oversight in the Dubai office; management's response to the review would be eagerly anticipated. In response to a query from the Board, the Auditor explained that FITTEST was not seen as duplicating the role of other United Nations organizations because it was designed to provide for rapid response. Drawing attention to the benefits and potential of these operations, the External Auditor reiterated the importance of ensuring oversight and governance.

EVALUATION REPORTS

Synthesis Review of the United Nations Joint Logistics Centre (UNJLC) (2005/EB.2/15)

55. Presenting the review, the Secretariat noted that inter-agency logistics coordination had begun during the Great Lakes crisis of 1996 and further developed during subsequent emergencies into a UNJLC hosted by WFP. The paper covered four reviews undertaken jointly by WFP, Office for the Coordination of Humanitarian Affairs (OCHA), UNHCR and UNICEF and managed by WFP. Its recommendations had been agreed by all stakeholders and would be presented to the Inter-Agency Steering Committee (IASC) for endorsement.



56. The Board welcomed the review and reiterated its support for coordination of humanitarian assistance through UNJLC. Clarification was requested regarding the relationship between WFP and UNJLC, and an Operations Department (OD) directive requested by the Board. Board members emphasized that financing of the UNJLC core unit should be regular and stable. The Board asked the Secretariat to implement the recommendations of the review as soon as possible and to ensure that participating agencies strive for greater collaboration in order to encourage multi-agency ownership.
57. The Secretariat thanked Board members for their feedback and stated that it was implementing the recommendations in the review. Partners who had seconded officers to the Core Unit were being encouraged to play a greater role in its funding; a proposal for donor funding had been circulated. The Secretariat was working on the issue of financial authority to ensure that UNJLC staff could perform their duties adequately. Common services such as UNJLC were novel in the United Nation's system; misunderstanding of roles and lack of staff familiarity had hindered agencies' ability to guide UNJLC's operations, but progress was being made. The recommendations of the UNJLC tsunami review team were in line with the synthesis review, though the team had reservations about UNJLC's role in strategic air coordination and tracking of relief commodities in the absence of a common system.

SOUTHERN AFRICA REGIONAL PORTFOLIO

Angola Portfolio Evaluation (2005/EB.2/16)

Budget Increases to Protracted Relief and Recovery Operations for Executive Board Approval – Southern Africa Regional 10310.0 (2005/EB.2/17)

58. The Angola Portfolio Evaluation was presented for the Board's consideration in the context of a regional presentation on southern Africa, which also included a budget increase to Southern Africa Regional PRRO 10310.0. The Angola evaluation, which took place in early 2005, focused on relief and recovery strategies; it noted WFP's substantial efforts to reach vulnerable people in remote areas; a series of special operations (SOs) had facilitated the return of refugees and IDPs and made it easier for vulnerable people to receive food aid. The evaluation concluded that WFP largely met its objective of saving lives. Recovery activities had been appropriate, though few activities reflected priority areas for women. The economic situation in Angola had improved during the period of the evaluation, but the Government had not allocated adequate resources to the recovery process. Inadequate financial and technical support had limited the impact of the food distributed.
59. Angola's Minister of Assistance and Social Integration addressed the Board, congratulating WFP on its efforts. In the light of massive population movements in recent years, a reduction in resources for food-aid programmes had led to a deterioration of the situation of needy people. The minister praised WFP's work to facilitate the return of Angolans, including ex-combatants. Angola's 2006 budget would prioritize strengthening the health and education sectors and reintegration and de-mining activities. The Government still needed WFP's support to tackle food insecurity.
60. In southern Africa, a US\$211 million budget increase to the regional PRRO was required to support additional food needs in Malawi, Mozambique and Zambia until the next harvest; the increase would also cover the entire programme in Zimbabwe until June



2006. The budget increase was requested in order to meet outstanding needs and repay the working-capital advance facility. US\$240 million had been received from donors, but a gap of US\$157 million remained. The most vulnerable people in southern Africa were (i) farmers whose crops had failed as a result of drought, (ii) orphans who had lost their parents to HIV/AIDS and (iii) outpatients at HIV/AIDS treatment clinics who were receiving anti-retroviral therapy.

61. The Board welcomed the frank evaluation of the Angola portfolio, emphasizing the need to link relief efforts to recovery, including capacity-building for a shift of responsibility to the Government. Members noted the need for gender mainstreaming among staff and partners, and recognized WFP's important role in staff and beneficiary protection in the aftermath of conflict; some members expressed support for increasing the southern Africa regional PRRO budget and commended the speed with which WFP had responded to the call for aid. Some members requested more information on the methods by which beneficiary numbers and transport costs were estimated. The Board reiterated that emergency relief should be tied to long-term development and government capacity-building. More information was also sought about the activities of other food-aid organizations in this region.
62. In response to the Board's queries, the Secretariat explained that WFP collaborated with non-governmental organization (NGO) partners in southern Africa; each organization focused on a different geographic area. Beneficiary numbers and required food tonnages had been determined by vulnerability assessment committees, crop and food supply assessment missions and nutritional surveillance exercises. Cost components of this PRRO would be country-specific, which gave the flexibility to transfer savings from low-cost countries. The Regional Director stressed that southern African countries required immediate food relief.

EAST AND CENTRAL AFRICA REGIONAL PORTFOLIO

Development Projects for Executive Board Approval – Pilot Development Project: Ethiopia Drought Insurance 10486.0 (2005/EB.2/19)

63. The Secretariat outlined the concept of this innovative contingency funding tool to transfer risk from subsistence farmers to the international risk market. Risks such as drought that could be indexed could be insured, thereby making funding available before shocks became crises and all coping strategies had been exhausted. Governments, organizations and other United Nations agencies were interested in the project's outcome, and the survey and other information that it generated would be useful to WFP, the Government of Ethiopia and others.
64. The Board was not opposed to risk insurance but questioned WFP's role, suggesting that other international organizations and United Nations agencies might be better equipped to deal with insurance interventions. The Board raised issues about the criteria for success, ownership and the role of beneficiaries – farmers and national governments – sustainability and exit strategies, and the desirability of this kind of private-sector involvement in aid funding.
65. The Secretariat emphasized that the project's aim was to demonstrate whether or not insurance provided a useful tool; many of the Board's concerns could not be addressed until this had been established. The project and insurance would run for a year; any



payouts that were generated would be paid to WFP, which would consult with the Government of Ethiopia on their use.

66. The Board approved the pilot project, but emphasized that WFP should not initiate other insurance pilot projects until the results of the Ethiopia project and other organizations' activities in this area were known and had been assessed.

Protracted Relief and Recovery Operations for Executive Board Approval – Great Lakes Regional 10062.2 (2005/EB.2/20)

67. The Secretariat outlined the politically unstable situation throughout the region. It was necessary to extend PRRO 10062.2 for three years, because the countries involved were recovering more slowly than expected.
68. The Board felt that the proposed PRRO was based on an overly pessimistic assessment of the situation and requested clarification as to the calculation of beneficiary numbers. The membership emphasized that lessons learned from the previous phase, as highlighted in the February 2005 evaluation, should be reflected in the proposed phase of the operation.
69. The Board approved the extension of PRRO 10062.2 for one year only, when a joint assessment would be carried out. It requested the Secretariat to provide information about best practices and lessons learned from the original project.

ODS PRESENTATION ON THE SITUATION IN SUDAN

70. The Secretariat reported that WFP was operating from 31 offices in all, but three states of the Sudan. Its activities were anchored on an EMOP in Darfur, which was feeding 80 percent of target beneficiaries, and one in the South, East and Transitional Areas (SETA), whose performance had been hampered at a critical period by shortages of staff, funds and fuel. A PRRO was continuing to support Eritrean refugees. The country programme had suffered from the attention diverted to these EMOPs and because the national government was not ready to invest in social sectors. A dedicated unit had been established to manage the school feeding, mother-and-child health and food-for-work activities of the country programme (CP), which had been extended to the end of 2007. WFP was scheduled to exit from a road rehabilitation special operation in 2007, and was involved in another SO to improve river transport capacity.
71. For the future, the Secretariat foresaw a slowly improving security situation under the Comprehensive Peace Agreement. Rains had been better in most areas in 2005, but food security would take longer to establish, especially in Darfur, where farmers were being prevented from bringing in the year's increased harvests. The results of a crop and food security assessment mission would be known towards the end of November 2005. The two EMOPs were being merged to allow more flexible use of assets, meet the varying requirements of different regions and prepare for the move to a PRRO in 2007. The Secretariat estimated that 650,000 mt of food were currently required to feed the Sudan's 6 million food-insecure people, but firm figures would only become available at the end of November 2005. The Board commended WFP's work in this difficult region.



ASIA REGIONAL PORTFOLIO

Real-time Evaluation of WFP's Response to the Indian Ocean Tsunami— December 2004–June 2005 (2005/EB.2/21)

Budget Increases to Protracted and Recovery Operations for Executive Board Approval — Indonesia 10069.1 (2005/EB.2/22)

Budget Increases to Protracted and Recovery Operations for Executive Board Approval — Sri Lanka 10067.1 (2005/EB.2/23)

72. The Asia regional presentation included consideration of the real-time evaluation of WFP's response to the Indian Ocean tsunami between December 2004 and June 2005 and budget increases to Indonesia PRRO 10069.1 and Sri Lanka PRRO 10067.1. Following the December 2004 tsunami, the EMOP had provided a vital safety net. Recovery and rehabilitation had proceeded more slowly, however. Inter-agency coordination and mobilization of staff had been constrained, but the food-delivery response had been generally efficient. A significant amount of regional and local procurement influenced the speed and cost-effectiveness of this response. The Tsunami Evaluation Coalition would continue to examine many thematic issues and a synthesis report would be provided to the Board.
73. WFP would continue to assist beneficiaries in Indonesia and Sri Lanka through budget revisions to existing PRROs by providing food assistance and livelihood support, including assistance for IDPs. Through a special operation, WFP would also provide logistics support for reconstructing shelter in Aceh and Nias.
74. After 26 years of assistance to China, WFP was ending its assistance there. In DPRK, the Government had decided to end all international humanitarian assistance; WFP was discussing its continued role with Government officials. An EMOP targeting conflict-affected populations was being developed for Mindanao Province in the Philippines.
75. Board members supported the conclusions of the real-time evaluation. The Board particularly appreciated the evaluation team's attention to gender and protection issues, and requested more information about coordination challenges. A thorough follow-up of the evaluation team's recommendations was recommended by Board members, who also looked forward to the synthesis report of the Tsunami Evaluation Coalition. During the recovery period, the tsunami response should be integrated into the Indonesia and Sri Lanka PRROs; exit strategies for these PRROs needed to be worked out. There was extensive support for real-time evaluations among Board members, though they recognized the extra demands that such activities made on evaluation staff and on operational staff in the field.
76. The Secretariat agreed that lack of appropriate staff capacity had limited the response to a sudden-onset emergency of this magnitude, and noted that not every recommendation in an evaluation was necessarily appropriate or readily achievable. A pilot cash-transfer activity would be undertaken and the results would be reported to the Board. WFP would be engaged in Indonesia and Sri Lanka for at least the next two years, but exit strategies would be dependent on the political and social situations in both countries; future WFP operations would be adjusted as appropriate.



MIDDLE EAST, CENTRAL ASIA AND EASTERN EUROPE REGIONAL PORTFOLIO

Protracted Relief and Recovery Operations for Executive Board Approval – Afghanistan 10427.0 (2005/EB.2/24)

77. The Secretariat outlined the progress of an EMOP to provide food aid to 1 million earthquake-affected people in Pakistan for six months; this EMOP needed funds urgently.
78. In Afghanistan, the situation was slowly improving but continuing challenges included approximately 6.5 million food-insecure people, low school enrolment rates, especially among girls, low literacy rates among women, environmental damage, continuing security problems and high rates of tuberculosis. WFP had several joint programmes with other United Nations agencies; the PRRO was at the late recovery and early development stage.
79. The Board warmly commended WFP's work in Afghanistan. It appreciated WFP's cooperation with the national government and other agencies, and the reduced scale of the project. In response to concerns raised by the Board, the Secretariat reiterated its commitment to local purchasing when market conditions allowed; the effects of the earthquake on the PRRO's wheat procurements from Pakistan were being assessed. Geographic and security issues made this an expensive operation as it focused on small pockets of vulnerable people in remote mountainous areas. Targeting was being carried out through continuous assessment; food distributions in cities had been phased out and village councils helped to identify the poorest families. Increasing literacy among women was being emphasized. There were no implications of WFP activities on opium production; improving food security was WFP's priority.

WEST AFRICA REGIONAL PORTFOLIO

80. The Secretariat presented its regional review of West Africa. Many programmes and projects were seriously underfunded; an after-action review of operations in Niger would pay particular attention to why vulnerability and resilience to crises varied so much within the region. The Board noted that the importance of the IRA and loan facility had been a recurrent theme in the Secretariat's regional presentations. It requested that the West Africa review be circulated electronically among Board members.

LATIN AMERICA AND THE CARIBBEAN REGIONAL PORTFOLIO

Protracted Relief and Recovery Operations for Executive Board Approval – Guatemala 10457.0 (2005/EB.2/27)

81. The presentation of operations in Latin America and the Caribbean included PRRO 10457.0 for Guatemala. The regional bureau was focusing on strengthening governments' capacity to respond rapidly to emergencies; it would also contribute to peace-building and development in crisis situations. Limited resources, however, had curtailed implementation of several important programmes. In 2005, the Caribbean had suffered a series of hurricanes, tropical storms and floods. In the context of the regional bureau's emergency response and preparedness (ERP) system, a special operation was being prepared to improve WFP's response capacity in the region, which included involvement of regional



organizations. A particularly severe hurricane had recently hit the most vulnerable areas of Guatemala. The proposed PRRO would be a collaborative effort to provide nutritional assistance to children under 5 years of age.

82. The Board thanked the Secretariat for its work in the region and welcomed its efforts to improve child nutrition; sustainability would be enhanced with local purchase of commodities. The Board highlighted the need to focus on the structural causes of malnutrition and prevent future weather-related catastrophes, and welcomed the regional bureau's integrated ERP approach to address the effects of natural disasters. It was suggested that the Secretariat update the Board regarding progress made on prevention at future Board sessions. Some Board members suggested that the indicators in the PRRO response matrix needed to be more clearly quantified.
83. In response to a query from the Board, the Secretariat explained that the proposed PRRO was in the category of relief and recovery in areas heavily impacted by natural phenomena, and not in United Nations development frameworks such as the United Nations Development Assistance Framework. The Secretariat was working with partners to ensure that response indicators were clearly quantified and to tackle structural barriers to development. Before March 2006, an initial assessment of progress on the regional bureau's ERP would be undertaken.

ORGANIZATIONAL AND PROCEDURAL MATTERS

Biennial Programme of Work of the Executive Board (2006–2007) (2005/EB.2/28)

84. The Secretariat reminded the Board that agenda items were generated by: (i) the rules and regulations of WFP and other United Nations bodies; (ii) Board requests; and (iii) Secretariat proposals after Board guidance. The Programme of Work was a flexible document presented to the Board for approval at its Second Regular Sessions and for information at the First Regular and Annual Sessions; changes were discussed at Bureau meetings. During its discussions at the Second Regular Session in 2005, the Board had requested nine additional agenda items for 2006, which related to ISC rates, PSA carry-over expenditures, and a management response to the External Auditor review of FITTEST at the First Regular Session, 2004–2006 actual expenditures, cost structures analysis, child hunger activities and the Ethiopia drought insurance pilot project at the Annual Session, and implementation of the management response to the evaluation of WFP's Enabling Development Policy, and the revised Great Lakes PRRO at the Second Regular Session.
85. The Board appreciated the flexibility of this document, but recognized the risk of overloading agendas and repeating discussions; where possible, central policy issues would be discussed at Annual Sessions. The Board requested the Secretariat to update the Programme of Work for 2006–2007 with the items added during the current Session.



ADMINISTRATIVE AND MANAGERIAL MATTERS

Revised Delegation of Authority to the Executive Director for Approval of Projects and Budget Revisions for Development Portfolio (2005/EB.2/29)

86. The Secretariat introduced this proposal for streamlining procedures in WFP.
87. The Board generally welcomed it, but emphasized the need to balance time saving with obtaining Board inputs to decisions. It requested the Secretariat to present an assessment of how the delegation of authority had worked at the Second Regular Session in 2006, when a previous delegation approved in 2004 was also to be reviewed.
88. The Secretariat would report to the Board all programme changes made under delegated authority, and assured the Board that such delegation did not include the authority to transfer funds intended for emergencies to development components.
89. The Board approved the delegation for a year, pending the results of the requested review.

OTHER BUSINESS

Presentation of United Nations Response to Avian Flu

90. Dr David Nabarro, Senior United Nations System Coordinator for Avian and Human Influenza, thanked the Board for the opportunity to speak about the United Nations response to avian flu. WFP had a critical role in the response to the epidemic, which, carried over by migratory birds, had affected domestic ones and could become transmissible among humans leading to a possible pandemic. United Nations organizations were obligated to consider the safety and security of their staff, and to plan for the implications of a human influenza pandemic.
91. The United Nations system had prepared a multi-sector strategy for global response in collaboration with national governments; WFP's experience in logistics, information management and contingency planning was an asset. The Secretariat had been conducting risk assessments and planning exercises in relation to the possibility of a pandemic. A task force would be convened to work on policy issues, planning exercises, resource allocation and communication; its work would be harmonized with inter-agency efforts.
92. Board members expressed their appreciation of Dr Nabarro's presentation and outlined national-level responses to avian influenza. The Board requested more information about WFP's efforts in this area. In response, the Secretariat agreed to prepare a structured information package for Board members. WFP was already collaborating with FAO's Animal Health Service and had received a request for food assistance in conjunction with culling operations. In conclusion, Dr Nabarro highlighted gaps in global animal health services and called upon WFP and other international organizations to increase their involvement in animal health issues.



ACRONYMS USED IN THE DOCUMENT

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AIDS	acquired immuno-deficiency syndrome
CCPD	common country programme document
CERF	Central Emergency Revolving Fund
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CP	country programme
DPRK	Democratic People's Republic of Korea
EMOP	emergency operation
ENA	emergency need assessment
ERM	enterprise risk management
ERP	emergency response and preparedness
FAO	Food and Agriculture Organization of the United Nations
FITTEST	Fast Information Technology and Telecommunications Emergency and Support Team
HIV	human immuno-deficiency virus
IASC	Inter-Agency Steering Committee
IDP	Internally displaced people
IPSAS	International Public Sector Accounting Standards
IRA	Immediate Response Account
MDG	Millennium Development Goal
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
OD	Operations Department
ODAV	Vulnerability Analysis & Mapping Branch
PACE	Performance and Competency Enhancement
PRRO	protracted relief and recovery operation
PSA	Programme Support and Administration
RBM	results-based management
REC	regional economic community
SETA	South, East and Transitional Areas
SO	special operation
SPR	standard project report
UNFPA	United Nations Population Fund



UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNJLC	United Nations Joint Logistics Centre
VAM	vulnerability analysis and mapping
WTO	World Trade Organization

