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SUMMARY OF THE WORK OF THE FIRST 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.1/2005/13.

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CURRENT AND FUTURE STRATEGIC ISSUES

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

1. In response to a request for a briefing on WFP's response to the Indian Ocean tsunami disaster, the Executive Director prefaced his remarks with an outline of WFP actions and planning in relation to the catastrophe.
2. The Executive Director stressed that the suddenness and scale of the events had been overwhelming, but the response of the international community was most encouraging – US\$7 billion had been raised by governments, organizations and the general public. WFP's response had been under way within 48 hours: cash from the Immediate Response Account (IRA) had been made available, in-country food stocks had been used and ships carrying humanitarian cargoes had been diverted to the disaster area. Logistics support from the military forces of several countries had been much appreciated, especially in getting food to areas that were difficult to reach; WFP would be taking over much of this responsibility as the situation stabilized. A network of non-governmental and other organizations was already functioning. The operations were well funded; any excess funding would be directed to where it was most needed, provided that donors agreed. The Executive Director assured the Board that accounting would be fully transparent.
3. Part of the challenge for WFP, however, was not to lose sight of other disasters that were less in the public eye. The message from the response to the tsunami disaster was that the world cared about people at risk and would contribute to improving the lives of poor and hungry people.
4. The Executive Director then outlined the other strategic issues facing WFP. Recent polls had shown that hunger and poverty were major issues in the minds of leaders and the public. A worldwide movement was needed to tackle the hunger issue, especially among children. The United Nations would look to WFP for leadership in efforts to make Millennium Development Goal (MDG) 1 a reality.
5. The situation in Darfur remained serious; logistics difficulties and insecurity were the main constraints, but WFP had reached 1.5 million of the 2 million people targeted. WFP had worked in partnership with the Food and Agriculture Organization of the United Nations (FAO) to provide anti-locust spraying in West Africa, but the locust problem would probably recur in 2005. The situation in southern Africa was one of the most serious in the world: as a result of the triple threat, life expectancy in the region had fallen by 22 years; one child in five was an AIDS orphan. The need was to maximize coordination to improve effectiveness in addressing the problems. The situation was a good opportunity for the United Nations to reform and coordinate its working modalities. In Iraq, WFP had turned its operations over to the Ministry of Trade, but anticipated a future role in providing food for vulnerable women and children. WFP was not involved in the alleged abuses associated with the Oil for Food programme.
6. The Executive Director had attended the World Economic Forum in Davos and the conference in Kobe, Japan, on risk reduction and early-warning systems related to natural disasters. A new website on crisis information was up and running. An operational review was ongoing with a view to increasing efficiency so that more people could be assisted more quickly with the same level of resources. The new Audit Committee was established; WFP aimed to have audits for all countries every three years. More security professionals had been engaged worldwide; blast-resistant film had been installed in all WFP buildings.



The General Assembly had not endorsed central United Nations funding for security, so WFP's security costs would have to rise.

7. Mr Morris stressed the importance of partnerships and of improved coordination among United Nations agencies and partners. The significance of the emergence of new donor countries and of increased donations from existing major donors was highlighted, one aspect of which was decreased dependence on WFP's largest single donor. Support from the private sector was increasingly important and had reached unprecedented levels in response to the Indian Ocean disaster. WFP was seeking to increase its visibility through websites in multiple languages and media exposure. The Walk the World event would continue with the hope that it would grow and increase WFP's visibility worldwide. The Executive Director expressed WFP's gratitude to all who were supporting it with donations. The need for donations remained urgent, however, for many operations.
8. The Board praised the Executive Director's statement for its conciseness and clarity. Approval of WFP's rapid action in response to the tsunami disaster was unanimous. Several members stressed, however, that other emergencies that WFP was addressing, for example in Darfur, West Africa, southern Africa and central and eastern European countries should not be forgotten and that the lessons learned should be summarized so that they could be applied elsewhere; the need to move from relief to development-oriented activities was recognized. The Board stressed the importance of keeping MDG 1 as the focus of WFP's efforts. Several members asked that the Executive Director be given an opportunity to brief the Board on his ideas for action towards achieving MDG 1, in which WFP's leadership was likely to be significant.
9. Several members requested the Secretariat to present a document for discussion on transition from emergency relief to development in cases of natural disaster. The President reminded the Board that the subject would probably be discussed by the Joint Meeting of the Executive Boards in January 2006. There was a widely supported call for a meeting at ministerial level with a view to increasing WFP's visibility and enhancing its image in the political arena. A suggestion was made that such a meeting could become a regular feature of the Board calendar. Increased use of the media to project WFP's image as a leading humanitarian agency was proposed.
10. The importance of multilateral funding and new funding modalities was highlighted by several members as a means of making WFP interventions more efficient and flexible. Several members complimented the Secretariat on the improvements in its business practices. The need for further extension of the donor base and the need to capitalize on private-sector funding were also noted by several members. Improvements in the United Nations system, particularly greater coordination and common policies among agencies would also contribute to more effective interventions. The work of the Boston Consulting Group in this area was welcomed.
11. Accurate emergency needs assessments and reliable forecasting of donations were recognized as fundamental tools in improving preparedness and effectiveness and reducing vulnerability; enhanced monitoring and evaluation (M&E) were also important in this regard. More and better information about natural disasters was needed, in terms of preparedness and mitigation of the effects of natural disasters, which were not just local. The work of the meeting in Kobe should be applied; one member floated the idea of a worldwide disaster-insurance scheme. Several members stressed that accumulated under-development over the years was a major factor in exacerbating the effects of disasters, and that capacity-building played a significant part in work towards MDG 1.



12. The importance of keeping donors informed and soliciting their views and the views of recipient countries with regard to humanitarian matters was stressed by several members; the importance of working with governments was also highlighted, especially in recovery-oriented operations. The policy of local and regional purchasing was praised; one member thought that WFP should work with the World Trade Organization on this issue, and warned that care had to be exercised to avoid disruptions to local markets, especially where in-kind donations were made. The need to study the role of food aid in emergencies was noted by some members. The Board stressed that a holistic approach and partnerships with other agencies and bodies such as the European Commission, with which a strategic partnership was about to be finalized, were fundamental to fulfilling the WFP mandate.
13. In response, the Senior Deputy Executive Director acknowledged the Board's commendations and stressed that the response to the tsunami disaster had not deflected WFP from its work in less visible emergencies; he acknowledged the support received from governments in the region. He welcomed the proposal for a ministerial-level meeting; the Secretariat would consider the matter and make recommendations as to possible dates. He noted that although recovery work was not always well funded, there was good evidence that development programmes reduced the impact of emergencies: communities that were more developed tended to recover more effectively from disasters. Mr Graisse agreed that lessons learned from the tsunami disaster would be assimilated and put to use in WFP's operations. Work was still in progress on increasing harmonization and coordination among United Nations agencies, especially with regard to smaller programmes; the need for improved definition of roles was noted. The role of food aid in emergencies varied according to circumstances and was kept under review by the Secretariat. The need for better visibility was noted; non-governmental organizations (NGOs) were often more visible because they were at the end of the food chain. The Executive Director would address the Board in due course on his ideas for achieving MDG 1.
14. The President proposed that the Bureau be given a mandate to pursue the proposed ministerial-level meeting; it would report back at EB.A/2005. The President proposed that discussion of the issue of transition to development should continue with the Secretariat and Bureau, with a report to the Board in due course.

POLICY ISSUES

– Definition of Emergencies (2005/EB.1/2)

– Exiting Emergencies (2005/EB.1/3)

15. In presenting the two documents, the Secretariat noted that WFP was committed to presenting a series of emergency policy issues in the 2004–2005 biennium, including the continued appropriateness of the current definition of emergencies, which dated from 1970. The current items defined the general context for WFP emergency responses and the strategies WFP followed to ensure that it exited at the right time and in an effective manner.
16. The Secretariat concluded that the existing definition of emergencies was largely valid, but that it would be strengthened by the introduction of modest changes reflecting WFP's current practices and more recent policies. These include emphasis on saving and protecting livelihoods and a recognition of WFP's role in complex emergencies as defined



by the Inter-Agency Standing Committee (IASC). The Secretariat highlighted the importance of the emergency needs assessment (ENA) process in determining the appropriateness of food aid in an emergency situation and noted that emergency responses were not appropriate for addressing chronic food insecurity. The Secretariat also noted that HIV/AIDS-affected communities share the features of a slow-onset emergency, but that a longer-term response than an emergency operation (EMOP) would normally be required.

17. The document on exiting emergencies outlined broad strategies for (i) how to phase out from an operation or (ii) how to transform an emergency response into a more effective longer-term intervention when necessary. For WFP, the recovery of what had been lost should be the overall objective of an emergency response. In returning to pre-crisis levels, WFP might not necessarily be the main actor but support other organizations or governments. Emergency responses could sometimes also address the root causes of food insecurity; outcomes of an emergency response could go beyond return to the previous vulnerable situation.
18. The Board was asked to approve the addition of the revised definition of emergencies to the “Consolidated Framework of WFP Policies” and the addition of a statement regarding exiting emergencies to the policy compendium. The Board recognized the importance of these documents in clarifying the issue of emergency response and expressed confidence in the work of the Secretariat in preparing the documents.
19. With regard to defining emergencies, some members hesitated to adopt the language of complex emergencies as defined by IASC, which does not represent formal approval by an inter-governmental body. They felt that the definition should leave the flexibility needed for WFP's interventions. Some members raised concerns related to the term “economic crisis” and to the fact that needs assessment and the question of the appropriateness of food aid were not explicitly mentioned in the definition. With regard to the term “economic crisis”, the Board noted that it might not be sufficient to define an emergency: references could be added, for example, to disruption of markets or distribution systems. Some members noted that a crisis did not necessarily require food aid and that the decision to use food aid should be based on ENAs.
20. With regard to exiting emergencies, the Board expressed its appreciation of the document and the discussion it stimulated. Board members suggested that when planning and implementing exit strategies, WFP should utilize ENA, develop clear exit criteria, place increased emphasis on restoring livelihoods and strengthen partnerships with other United Nations agencies, governments and NGOs in planning to promote recovery. Some members were concerned that the objective of restoring communities to pre-crisis levels might be too ambitious for WFP on its own: it was felt that WFP should give greater weight to the importance of partnership and particularly to working within a government's overall recovery and development strategy. In general, WFP was encouraged to focus on strengthening the capacity of vulnerable people to pursue their livelihood needs and withstand future crises. Board members added that overcoming the causes of emergencies often involved political engagement; it was noted that the paper called for WFP to play an advocacy role. The importance of functioning results-based management (RBM) systems in defining a baseline for decisions on exiting was also stressed.
21. The Secretariat welcomed the Board's interest and expressed WFP's commitment to pursue emergency response and exiting systematically. The Secretariat reiterated that the proposed definition of emergencies was not an attempt to change WFP practices but a move to bring the definition into line with current practice, other United Nations agencies and implementing partners. The term “complex emergency” had been commonly used, for example by the Office for the Coordination of Humanitarian Affairs (OCHA), for more



than a decade. The definition of emergencies paper should also be seen as a first step and not a comprehensive emergency policy. The definition is complemented by ENA and other emergency policies, including those to be considered by the Board later in 2005.

22. On exiting emergencies, the Secretariat made it clear that WFP recognized that restoring communities to pre-crisis levels was the overall objective of emergency responses, but it was not an outcome it could often achieve on its own; the role of food aid would vary with each situation; the Secretariat noted that governments had a central role in the process. Guidance on exit strategies would be developed once the policy had been approved; criteria for exiting from particular projects would be formulated on a case-by-case basis.
23. After consultations, the Board deliberated on textual changes to the draft decisions in the documents and adopted them as amended.

Annual Report to ECOSOC and the FAO Council (2005/EB.1/4)

24. The Board commended the Secretariat on the quality of the report, but understood that it was a first report and a work in progress. The Board felt that the report might benefit from a different format and organization and that it should include more discussion of the impact of WFP activities. It also commented on various issues, in particular the decrease in multilateral funding, WFP's contribution to follow-up to the Triennial Comprehensive Policy Review (TCPR), school feeding and cooperation in the United Nations system and with NGOs.
25. In response to comments that the report was "monotonous" and missed the opportunity to highlight what had improved or changed at WFP during the year, the Secretariat noted that there were some constraints to changing the format established by the Economic and Social Council of the United Nations (ECOSOC). It nonetheless welcomed the suggestion that the executive summaries of future reports should identify developments deserving attention. The Secretariat also agreed that an outline of the report could be shared in advance with the Bureau to identify areas where greater specificity was needed.
26. While concurring that measuring the impact of WFP's activities was a legitimate objective, the Secretariat pointed out that such an objective posed serious challenges; gauging the impact of system-wide activities was particularly difficult. Better tools were needed and better reporting from the field, which was already overburdened by extensive reporting requirements. The Secretariat suggested that activities in this area should be seen in the context of rationalizing the reporting process.
27. Concerning comments on resources, particularly the downward trend in multilateral funding between 2002 and 2003, the Secretariat reminded the Board that the agreed format of the report required discussion of resources, but that WFP's Annual Performance Report was the primary vehicle for reporting on fund-raising. Because of the agreed change in shifting presentation of the report from the Annual Session to the First Regular Session, the current report contained incomplete data for 2004. In the light of this, it would be more opportune to hold a discussion on funding at the next Annual Session, when full statistics would be available. The Secretariat agreed that the fall in multilateral funding was a serious concern, but pointed out that there were also positive trends such as the increase in contributions in 2003 and an enlargement of the donor base.
28. Concerning a comment that WFP school feeding activities should form an integral part of programmes with the United Nations Children's Fund (UNICEF) and the United Nations Educational, Scientific and Cultural Organization, the Secretariat pointed out that this was already the case. There had been an increase in WFP/UNICEF school-based programmes from 25 countries covered in 2003 to 37 in 2004.



29. With regard to TCPR, the Secretariat reported that WFP had carried out activities on harmonization and simplification, particularly in South Africa. TCPR and WFP's response to it were matters that deserved discussion at a later Board session.
30. Responding to comments on the need to improve partnerships with other United Nations agencies and NGOs, the Secretariat agreed that cooperation with FAO and the International Fund for Agricultural Development (IFAD) was important, but stated that WFP's strategic priorities had less of an agricultural focus than in the past. Collaboration with UNICEF and NGOs was in many cases more suitable. The Secretariat appreciated the suggestion that WFP's collaboration with IFAD, currently mainly in Asia, be extended to other regions. It noted the special challenge to collaboration posed by the difference between IFAD's highly centralized nature and the decentralized nature of WFP's activities. WFP would collaborate with IFAD and FAO in activities relating to the Millennium Summit in order to give a high profile to hunger; the Secretariat was certain that the joint advocacy of the three agencies would be particularly valuable. With regard to NGOs, WFP had over 1,400 NGO partners and needed to determine how to get the most efficiency and gains from such collaborations.
31. The Board approved the Annual Report to ECOSOC and the FAO Council.

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Financial Framework for Strategic Priority 5 Implementation (2005/EB.1/5)

32. The Secretariat introduced the paper, the second stage in mainstreaming capacity-building, stressing that it was almost identical to the text considered at the recent informal consultation; its purpose was to provide a legal mechanism for acceptance and disbursement of contributions for capacity-building and it took into account the needs for full-cost recovery and transparency.
33. In welcoming the document, Board members noted that it outlined a provisional framework that could be built upon and looked forward to a review of WFP's broader financial policy that would lead to a stable funding framework. The importance of transferring capacity to local partners was emphasized. Some members sought assurances that the proposed framework would not increase operational costs.
34. The Secretariat assured the Board that support costs would not be increased; operational costs were specific to each operation, but investment in capacity-building would result in greater value-added.

Business Process Review: Working-Capital Financing (2005/EB.1/7)

35. After a series of informal consultations, the WFP Secretariat had sought the Board's approval for amendments to the financial regulations, within the framework of its Business Process Review (BPR), needed to ensure more effective resource utilization and to increase on-time food availability to improve food throughput by 15 percent. Following approval by the Board, WFP had introduced five pilot projects in 2004 that were financed by the Operational Reserve on the basis of forecast contributions. In the light of the substantial impact of these projects, the Secretariat requested that the Board approve the amendments to the regulations to provide working-capital financing for future WFP initiatives and to allow WFP to incur expenses during project preparation in order to fill the food pipeline.



36. The Secretariat informed the Board that working-capital financing would be implemented along with process improvements – building blocks – to avoid pipeline shortfalls and eliminate end-of-project balances. The Secretariat proposed a working-capital facility with a ceiling of US\$180 million in which internal resources would be used toward forecast contributions. The Secretariat outlined a risk-management strategy, noting that any write-offs would be measured in beneficiaries fed instead of monetary loss. Risk would be containable, equalling one third of the Operational Reserve, which could be replenished by the Board from annual interest and the General Fund. Mechanisms to limit risk included a structured loan repayment schedule, the discontinuation of loans after a project reached 80 percent of forecast income and immediate write-offs in the event that donations were not received. Possible improvements to the throughput of in-kind donations were also discussed.
37. In order to fill pipelines during project preparation, the Secretariat proposed that the regulations be further amended to begin procurement of forecast food three months before the start of a project; food delivery would be consistent with the forecast level of donations. Routine reporting would be included in project documents, annual reports and annual donor reports. With the Board's agreement, the Advisory Committee on Administrative and budgetary Questions (ACABQ) and FAO Finance Committee approval would be sought for these amendments and roll-out of an additional ten pilot projects would begin within 18 months.
38. The Board expressed its appreciation for the explanation and clarification that the Secretariat provided following previous informal consultations and commended it on this outstanding document. Board members firmly expressed their desire for assurance of reasonable risks and regular consultation. Several members requested that the number of programmes included in initial roll-out be reduced from ten to seven to reduce risk and allow more preliminary assessments of impact. Some Board members requested that WFP consider organizing a field visit to a BPR pilot project before the Annual Session of the Executive Board. Regular progress reporting and greater access to financial data and donor forecasts would reassure Board members of transparency and adequate management of risks. The Board also emphasized that donor flexibility would be paramount because some donors bore more responsibility than others for replenishing the General Fund. Information and flexibility from donors and availability of contributions, and more particularly cash donations, would be instrumental to the success of BPR. The Board also requested that the Secretariat cap the annual risk at US\$20 million representing about one third of the annual reserve and that Board oversight be maintained throughout implementation. WFP should remain active with donors to honour their obligations and build trust with donors through reliable reporting and transparency.
39. The Secretariat agreed with the Board's suggestions to limit rollout and implement regular reporting to the Board and to cap risks at US\$20 million, reiterating that any loan not repaid would be expressed in terms of extra beneficiaries fed. The Board's approval by correspondence on the filling of pipelines would take place on a no-objection basis for all financing below US\$20 million. An additional informal consultation would be held after the Board session to provide members with further information on forecasting and risk management and to discuss lessons learned. WFP would work with donors to forecast donations on an informal basis and would seek to maximize donor flexibility. In response to a request from the Board to include a Latin American country among those identified for roll-out, the Secretariat noted that roll-outs would be planned where sufficient training and preparation permitted, with priorities based on the Board's discussion.



40. The Board agreed, with the stipulation previously discussed, to approve the amendments to the Financial Regulations: 10.8 to establish a working-capital advance ceiling of US\$180 million, 10.6 to allow use of the Operational Reserve to cover working-capital advances made on forecast contributions and 8.1 to allow expenditures to be incurred during project preparation.

– Proposed Programme of Work of the External Auditor for the 2004–2005 Biennium (2005/EB.1/8)

– Report of the External Auditor on Financial Reporting Standards of the World Food Programme (2005/EB.1/9)

41. The External Auditor summarized his team's proposed programme of work for the 2004–2005 biennium. Work would include reviews of (i) the effects and benefits for WFP of moving to International Accounting Standards (IAS), (ii) the development and evolution of the WFP Information Network and Global System (WINGS) and its systematic use in the field, (iii) communications aspects of the Fast Information Technology and Telecommunications Emergency Support Team (FITTEST), (iv) RBM, (iv) post-delivery losses and (v) follow-up on action taken by management in relation to audit recommendations.
42. The External Auditor then outlined his report on WFP's financial reporting standards, setting out reasons why WFP should adopt IAS or International Public-Sector Accounting Standards (IPSAS) instead of continuing to use United Nations common accounting standards. He pointed out that good governance depended on reliable systems of internal control and accountability. The transparency secured through clear financial reporting was especially beneficial to WFP, given its reliance on donor support and the need for continued public confidence in its activities. The United Nations system had been moving towards the use of independent external standards, and the adoption of either standard would ensure continued compliance with United Nations standards. The External Auditor therefore recommended the adoption of IAS or IPSAS in principle and gave an assurance that he would provide guidance and support if such a move were accepted.
43. Responding to comments by Board members, the External Auditor agreed that the experience at IFAD, where IAS were already being used, provided assurance that a change of standards was a low-risk proposal. He considered annual reporting to be a beneficial outcome of a move to IAS but that it would be for the Secretariat to comment on the costs. He considered that the costs of annual reporting would be acceptable and not significantly greater than the costs WFP was currently bearing, once systems and procedures were in place. With more automation under WINGS, it should become easier to produce reports. Changes to WFP's Financial Regulations might be necessary and would be commented on in due course by legal counsel. Concerning the risk that adoption of IAS would cause WFP to lose the basis of comparability with other agencies, the External Auditor pointed out that the present standards permitted greater flexibility of treatment by different organizations than IAS, which were more rigorous.
44. The Deputy Executive Director for Administration reported that the Secretariat agreed with the recommendation and intended to present to the Executive Board for its consideration at the Third Regular Session in October 2005 a work plan and a time-frame for the adoption of the new standards.



45. In view of the need for further review of the proposal, the Board took note of the report on financial reporting standards but stated that it was not yet in position to take a decision of principle. It would, however, encourage the process by asking the Secretariat to clarify various issues and present a report to the Board that included information on the costs and impact of introducing financial standards.

EVALUATION REPORTS

Information Note on the Implementation Plan of the PRRO Evaluation Recommendations (2005/EB.1/12)

46. The Secretariat took note of a member's comment on WFP providing an update on the common monitoring and evaluation approach and stated that it would be provided at a future Board session. On the issues of revised EMOP/protracted relief and recovery operation (PRRO) formats and building staff capacity to improve programme quality, the Secretariat updated the Board on current activities and stated that a progress report would be presented to the Board this year on results of the initiatives aimed at improving programme quality, especially technical and programme capacity support at the country and regional levels.

MIDDLE EAST, CENTRAL ASIA AND EASTERN EUROPE REGIONAL PORTFOLIO

Summary Evaluation Report of PRRO 10233.0 in Afghanistan (2005/EB.1/13)

47. The Director of Evaluation introduced the summary report of the Afghanistan PRRO evaluation, noting that despite the security situation assistance to Afghanistan had continued without major interruptions in distribution, for which the country office deserved commendation. The principal recommendations included improvement of the country office database, including verification of beneficiary counting and planned versus actual distribution data, links between assessment, programming and monitoring and improved quality of recovery interventions. These issues had been recognized and addressed by the country office.
48. The Board thanked the entire evaluation team for a thorough and useful assessment, noting that the work of WFP in Afghanistan was praiseworthy in view of the difficulties encountered. Board members emphasized the need for the country office to improve links between vulnerability assessment and programming, targeting, capacity-building and monitoring and the need for the country office to develop a sustainable exit strategy. The Board also noted that the country office management had responded positively to the recommendations of the evaluators; the Board would support a follow-up PRRO in 2005. WFP was encouraged to improve its corporate monitoring system and increase emphasis on beneficiary targeting and capacity-building. A sustainable exit strategy should be developed in the light of the recommendations from this evaluation.
49. The Secretariat thanked the Board for its valuable input and affirmed the need to improve monitoring and strengthen local capacity. The Regional Director stated that the evaluation would be taken into consideration when planning the next PRRO, which would be developed in the course of 2005 in order to harmonize with the United Nations Development Assistance Framework (UNDAF).



50. The Regional Director then briefed the Board on the other WFP activities in the region. Following three EMOPs in the Occupied Palestinian Territory, a PRRO was being prepared for approval in June 2005. The focus in Iraq remained on emergency intervention, but the current EMOP was poorly funded. Resource shortfalls in Azerbaijan had led to suspension of relief distribution, despite a large government donation. The Middle East, Central Asia and Eastern Europe Regional Bureau remained committed to strengthening vulnerability analysis and mapping (VAM) to improve the knowledge base for future activities particularly in Armenia, Georgia and Azerbaijan; projects were being harmonized in line with UNDAF; in this regard, the current Yemen country programme would be shortened by one year to harmonize with other agencies; a new country programme was under preparation. Fundraising in the region, including debt-swap arrangements, had been successful but significant needs remained.

EAST AND CENTRAL AFRICA REGIONAL PORTFOLIO — OPERATIONAL MATTERS

– Budget Increase to Development Activities — Ethiopia Country Programme 10208.0 (Activity 2) (2005/EB.1/14)

– Protracted Relief and Recovery Operation for Executive Board Approval — Uganda 10121.0 (2005/EB.1/15)

– Ethiopia PRRO 10362.0: Updated Annex (2005/EB.1/16)

51. The Regional Director for the East and Central Africa Bureau (ODK) provided an overview of WFP's operations in that region and the constraints faced by country offices, which included conflicts, drought and floods. In 2004, WFP had provided 1.7 million mt of food of a targeted 2.1 million mt in the region; the target for 2005 was 2.3 million mt.
52. Some WFP activities were well resourced, but shortfalls in some areas were significantly impacting implementation. Poor access to water, political instability, HIV/AIDS, conflicts, insecurity, transport problems and the presence of large numbers of refugees and internally displaced persons (IDPs) in several countries were substantial challenges to meeting beneficiaries' needs; the contingency plan developed for the region in 2004 was still valid in this year. In 2004, ODK was able to purchase 444,000 mt of food locally, worth US\$95 million.
53. The Regional Director briefed the Board with regard to the budget increase requested for the Ethiopia Country Programme, an Information Note regarding the Ethiopia PRRO and the continuation of the Uganda PRRO. The Board acknowledged the continuing needs of beneficiaries in Ethiopia, especially schoolchildren, and the high costs of transporting commodities. Board members suggested that transport costs could be reduced by increasing local purchases; one member queried the Secretariat about the possibility of schools purchasing their own commodities.
54. The Board stressed that WFP should pay special attention to monitoring and oversight of government and other partners in Ethiopia, with a focus on technical assistance. Independent market surveys and evaluations should be undertaken whenever possible. Board members also recommended that WFP should define the conditions to make the exit strategy possible, including ties to other programmes, in consultation with other programmes.



55. The Secretariat responded that transport costs had been significantly reduced in Ethiopia. An internal review would soon determine where cash transfers were to be delivered in food deficit areas. Many schools in Ethiopia were currently too isolated to procure their own food for school meals, but the Secretariat welcomed this strategy as a possible future exit strategy.
56. The Secretariat also sought the Board's approval of the Uganda PRRO, noting that paragraphs 31 and 67 concerning the expanded school feeding programme had been deleted. The PRRO was required to continue providing schooling to victims of ongoing conflict and other vulnerable groups.
57. The Board affirmed its support for this PRRO and recognized the importance of schooling for conflict-affected children. Board members remarked that under the PRRO the school feeding initiative should emphasize strengthening the capacity of government, coordination with other actors and a sustainable exit strategy. Several members also expressed their support for local commodity purchases and one member suggested that food-for-assets activities should focus on cleaning up abandoned camps.
58. In response to a query from the Board, the Secretariat explained that the deletion of paragraphs 31 and 67 would not affect the number of beneficiaries or the budget, since these were developed specifically for the PRRO. Local purchase would be supported and would depend on the amount of cash made available. Coordination and capacity building would also be a major focus, with a view to turning over the school feeding programme to local authorities when capacity was built.

LATIN AMERICA AND CARIBBEAN REGIONAL PORTFOLIO — OPERATIONAL MATTERS

Protracted Relief and Recovery Operation for Executive Board Approval — Colombia 10366.0 (2005/EB.1/17)

59. The Regional Director stressed that the priorities of the Latin America and Caribbean Regional Bureau (ODPC) were in line with the MDGs and WFP's Strategic Priorities and that with regard to food-based programmes it aimed (i) to be a partner for governments in the region, (ii) to increase government commitments and (iii) to increase private-sector engagement.
60. ODPC was looking to create a regional system for managing food-based interventions in which it would support governments in sharing activities and intervention models. It also wanted to create a food-security atlas for the region to enhance targeting and to collaborate with other agencies in preparing a study of the cost of hunger and malnutrition. ODPC was also working to strengthen emergency preparedness and response mechanisms for rapid interventions. Other objectives were to increase private-sector involvement in line with national legal requirements and develop mechanisms for technical cooperation and micronutrient fortification in Central America and the Andes. ODPC also intended to start an HIV/AIDS programme to anticipate any worsening of the situation.
61. Colombia PRRO 10366.0, based on a WFP/International Committee of the Red Cross (ICRC) needs assessment, was a response to the changing dynamics of displacement aiming to extend assistance to reach new IDPs, including those who were not receiving food support. The aim in Haiti was to consolidate current operations to assist food-insecure people in crisis situations. An EMOP was ongoing in Guyana to address needs resulting from recent floods. The government of Ecuador was giving logistics support to the



operations; other countries had also indicated their willingness to provide logistics assistance.

62. The Board applauded ODPC's aim to be a partner for governments in the region. Some members suggested that the Colombia PRRO could be better targeted to reach the poorest people, noting that access to food rather than supply was a major constraint; many IDPs were not obtaining food on a regular basis. Some members recommended a focus on developing community services for vulnerable people. The Board noted that the Government of Colombia was heavily burdened with external debt and gave strong support to the PRRO.
63. One member asked to what extent food-aid programmes could be linked to government programmes and urged caution in that the PRRO activities could have a negative impact on people's coping mechanisms. It was suggested that the Social Solidarity network should be used where appropriate and that WFP warehouse space might be made available to local suppliers. Local governments should be involved in activities where possible, and FFW and FFT should be used to promote solidarity. Several members observed that a fundamental need in this "forgotten" and underfunded crisis was to reduce the causes of conflict, which was at the root of most of the problems. The Board requested that the ICRC report be made available to it.
64. The Regional Director expressed ODPC's gratitude for the Board's support. He recognized the need for national capacity-building, especially to reduce the exclusion of indigenous peoples from social development. The danger of impacting coping mechanisms was understood, and rations were accordingly modest. The need for outcome-level indicators in the logframe was noted. The current system of warehousing was the best in view of security implications. The ICRC study was being translated and would be made available to the Board as soon as possible. WFP activities were community-based as far as practicable; the problems of blockaded communities were recognized but staff safety was paramount. Most of the food for WFP's programmes was purchased locally except for lentils, which were imported as a cheap food that was easy to cook and hence saved fuel.

SOUTHERN AFRICA REGIONAL PORTFOLIO

65. The Regional Director began with the positive news that, barring changes in the next two critical months, cereal balances in Southern Africa in 2005 could be at the best levels since the 1990s. Countering this was the great need in the region at the household level: the food-security status of 2.5 million chronically poor people was at risk; in Zimbabwe alone 1.4 million people required assistance. Because of difficulties resourcing food aid activities in Zimbabwe, many beneficiaries were eating only one meal a day to make food last. WFP had also encountered difficulties meeting refugee needs, especially in Zambia, one of five countries worldwide where it was taking over responsibility from the Office of the United Nations High Commissioner for Refugees (UNHCR) for managing the distribution of food.
66. WFP was part of the Southern African United Nations Regional Directors' Team, chaired by the United Nations Development Programme (UNDP), which was working to combat the "triple threat" of food insecurity, weakened capacity for governance and HIV/AIDS. The three deliverables envisaged by the Regional Directors' Team were making demonstrable progress in joint programming, achieving greater and more coordinated inter-agency support for the Common Country Assessment and the UNDAF and helping to support greater resource mobilization at the country level.



67. The 2005 resource requirements for the PRRO were US\$167 million; sadly, the contributions received to date met only 22 percent of these requirements. WFP was currently meeting not only the basic food needs of 2.5 million chronically poor people, but also an additional 1.8 million people affected by drought in Lesotho, southern Malawi and Swaziland. If the MDGs were to be achieved, business as usual would not be enough. Support from the Board was needed in order to move forward.
68. The Board thanked the Secretariat for the presentation, noting that more resources were needed for the regional PRRO. Board member commented that the situation of hunger and poverty in the region had its roots not in conflicts but in drought, HIV/AIDS and lack of irrigation. The magnitude of the AIDS pandemic had reduced life expectancy and created a generation of orphans, large numbers of whom were not receiving the assistance they required. While recognizing that WFP played an important role by supplying food aid, crucial in combating HIV/AIDS, the Board was aware that this did not address the causes of the pandemic. As the case of Brazil showed, the disease could be brought under control only through concerted global efforts. The Board also highlighted that the PRRO for southern Africa was an excellent example of effective interagency cooperation; WFP had had great influence in making this happen.
69. The Secretariat thanked the Board for its words of support and gave assurances that it would redouble its efforts to make a difference in the region.

ASIA REGIONAL PORTFOLIO

WFP's Response to the Tsunami Disaster (2005/EB.1/18)

70. The Secretariat updated the Board on WFP's responses in countries hit by the tsunami in December 2004. The day after the disaster, WFP approved four immediate-response EMOPS for activities in Sri Lanka, Indonesia, the Maldives and Thailand. In the first phase, WFP was carrying out baseline emergency needs assessments and had started systematic monitoring of the situation. It was working with other United Nations partners, particularly the United Nations Joint Logistics Centre (UNJLC), NGOs, governments and local partners. Private-sector donors had provided support in various forms. Challenges had included moving equipment into the area, reaching people in need and ensuring security. Activities in the next phase from March to June 2005 would support the transition to rehabilitation and recovery. Follow-up assessments would be required to determine to what extent relief aid would continue to be needed and what the most appropriate recovery support would be.
71. Because of the outpouring of donations for populations affected by the tsunami disaster, WFP had an excess of funds for the regional EMOP and was therefore contemplating extending it until the end of 2005, in consultation with the donors.
72. The Secretariat also informed the Board about activities in other countries in the region, highlighting the current state of emergency in Nepal, malnutrition levels in the Democratic People's Republic of Korea (DPRK) and the HIV/AIDS situation in India. It assured the Board that there was high-level commitment to support the region, but not by taking resources away from other crisis areas worldwide.
73. The Board thanked the Secretariat for its presentation, which gave a picture of a highly professional operation. WFP's response to the disaster had been rapid and effective, and staff had continued to plan strategically for the future while meeting immediate needs: this was just the kind of action the Board had been calling for.



74. Responding to concerns about extending the regional EMOP, the Secretariat assured the Board that WFP would implement recovery activities under these operations and that the regional EMOP framework would not be a constraint. It also contested the notion that food aid distorted markets. It appreciated the Board's recommendation that food should be procured locally, but noted that two thirds of WFP's food procurements were undertaken in developing countries. Regarding the risk that food aid could create dependency, the Secretariat emphasized that WFP was highly aware of the risk; it was working in seven countries affected by the tsunami but had planned a PRRO in only the two most devastated, Indonesia and Sri Lanka. WFP intended gradually to reduce general distributions in these countries while supporting food-for-work and, possibly, food-for-cash options. It had experienced experts in the region who were using a variety of analytical tools to determine the best kind of aid in each situation; they were working in consultation with other United Nations agencies and development partners, but mainly with the governments themselves, with which final decisions rested.
75. In reply to a comment about the importance of identifying lessons learned, the Secretariat assured the Board that it would do so, but that it was also committed to applying lessons from other crises. WFP would also take steps to manage risk. The Secretariat agreed with the Board that disaster mitigation and emergency preparedness were essential. Other organizations would now put in place tsunami early-warning systems; WFP planned to work with governments on emergency responses. WFP was also collaborating with the other Rome-based agencies, particularly IFAD, which would send a staff member to WFP's office in Jakarta for possible collaboration on cash-for-work schemes and other projects.
76. The Secretariat informed the Board that extension of the regional EMOP would be subject to a final decision from the Executive Director. The Board would be consulted on any extensions required and donors would be consulted regarding any redirection of resources that might be appropriate.

WEST AFRICA REGIONAL PORTFOLIO

77. The Regional Director for West Africa briefed the Board on issues affecting WFP's operations in the region, one of the poorest in the world, where one in every two people earned less than US\$1 per day. An assessment mission had confirmed that the desert locust crisis was not as severe as predicted, but drought was compounding the crisis in some parts of the region.
78. The West Africa Coastal PRRO, approved by the Board in October 2004, was proceeding in an environment of political stabilization and demobilization, but funding shortfalls could impede progress. In Côte d'Ivoire, continued political stalemate continued to complicate the food security situation. In Chad, WFP was assisting a caseload of 200,000 refugees, VAM activities and monitoring were being strengthened there and a joint assessment mission had recently been concluded; food assistance would be extended to the host population. WFP was also intensifying collaboration with UNHCR and the host government.
79. Regarding the expanded school feeding programme for West Africa, WFP was working in partnership with all stakeholders. Net enrolment had been significantly increased and the gender gap was being closed. Cooperation with sub-regional organizations was good and growing stronger. During 2004, WFP purchased US\$20 million worth of food in the region.



80. In response to a query from the Board, the Regional Director stated that a critical consignment of commodities for Sudanese refugees in Chad had been received and was currently being distributed. The Secretariat thanked the Board for its support in this region.

ADMINISTRATIVE AND MANAGERIAL MATTERS

Funding Arrangements for United Nations Staff Safety and Security (2005/EB.1/21)

81. The Secretariat noted that the United Nations General Assembly had not accepted the recommendation for central funding for staff safety and security, but had decided that individual agencies would continue to be responsible for funding these needs on a cost-sharing basis. The Secretariat requested that the Board approve the funding of staff safety for the current biennium through the General Fund.
82. The Board reiterated its concern regarding the safety and security of United Nations staff and the need for a lasting solution to this issue; members noted that security costs would now be diverted from funds earmarked for beneficiaries. Some Board members noted that donor countries did not share equally in financing the General Fund, and therefore financing for safety and security might be better allocated from the PSA budget. The Board also recommended that WFP strengthen its coordination with the inter-agency system and the Office of the United Nations Security Coordinator (UNSECOORD) and clarify the relationship between the US\$800,000 earmarked for United Nations reform with the item before the Board. One member also proposed an amendment to the draft decision in reference to United Nations resolution 59.276.
83. The Secretariat echoed the Board's concern with regard to the recent decision by the General Assembly. The PSA budget was not currently sufficient to provide the necessary funding. The Secretariat emphasized that the current situation was unique and unlikely to recur in future biennia. In response to a query from the Board, the Secretariat stated that the amount earmarked for United Nations reform was targeted to common premises, including security threat assessments, an issue of concern to the Secretary General.
84. The Board reiterated its concerns regarding this funding mechanism. Given the scarcity of available options, it approved the financing of staff safety and security for the current biennium from the General Fund on a one-off basis, which did not prejudice future decisions in this regard.

OTHER BUSINESS

Oral Report on the Joint Meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP (2005/EB.1/23)

85. The President briefed the Board on the recent joint meeting of the boards of UNDP/United Nations Population Fund (UNFPA), UNICEF and WFP in New York, which had followed an informal consultation in Rome that had helped create a high profile for WFP at the session. There were plans to repeat this consultation before next year's Joint Meeting of the Boards (JMB).



86. Topics discussed at the session had included HIV/AIDS, gender, simplification and harmonization, and the transition from relief to development; these would be relevant to the upcoming JMB. Within these broad areas, special attention had been focused on: (i) funding and coordination of HIV/AIDS programmes, for which capacity building with governments and NGOs would be crucial; (ii) the issue of violence in families; (iii) gender mainstreaming in the United Nations system and compiling better statistics on gender; (iv) roll-out of common country assessments within the framework of UNDAF; and (v) the transition from relief to development in post-conflict and post-disaster situations.
87. The Secretariat thanked the Board and welcomed a number of incoming senior WFP staff in addition to staff who had been promoted and had returned to WFP. New Board members were also welcomed and those who would be departing from the Board were recognized. The Board members extended their best wishes to the new and reappointed staff.



ACRONYMS USED IN THE DOCUMENT

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AIDS	acquired immune deficiency syndrome
BPR	Business Process Review
ECOSOC	Economic and Social Council of the United Nations
EMOP	emergency operation
ENA	emergency needs assessment
FAO	Food and Agriculture Organization of the United Nations
FITTEST	Fast Information Technology and Telecommunications Emergency Support Team
HIV	human immunodeficiency virus
IAS	International Accounting Standards
IASC	Inter-Agency Standing Committee
ICRC	International Committee of the Red Cross
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
IPSAS	International Public-Sector Accounting Standards
IRA	Immediate Response Account
JMB	Joint Meeting of the Boards
M&E	monitoring and evaluation
MDG	Millennium Development Goal
NGO	non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODK	East and Central Africa Regional Bureau
ODPC	Latin America and Caribbean Regional Bureau
PRRO	protracted relief and recovery operation
RBM	results-based management
TCPR	Triennial Comprehensive Policy Review
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
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
UNSECOORD	Office of the United Nations Security Coordinator
VAM	vulnerability analysis and mapping
WINGS	WFP Information Network and Global System

