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Programme

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POLICY ISSUES

Agenda item 4

EMERGING ISSUES RELEVANT TO WFP



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NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

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INTRODUCTORY NOTE

1. At its annual session of 1996, the Executive Board requested that future annual reports of the Executive Director provide a more analytical and policy-oriented view of the work of the Programme, following the same style and format as the 1995 Annual Report; and that WFP, in its reporting, look to the future and review the key policy, resource, operational and financial issues the Programme is likely to face.
2. In discussing the Annual Report of the Executive Director in May, 1997 the Board noted the need for a forward looking discussion of key issues and agreed that the Secretariat would respond by submitting two documents each year to the Executive Board: in odd-numbered years, WFP would issue the Annual Report and the Strategic and Financial Plan; in even-numbered years, WFP would produce the Annual Report and an "Issues Paper".
 - The *Annual Report* of the Executive Director would remain a report on each year's activities. It would be brief, business-like and targeted to the Executive Board. The report would draw the Board's attention to the key issues faced by WFP during the year, leaving a more substantive analysis to the documents mentioned below.
 - The *Strategic and Financial Plan*, prepared every two years, spells out the operational and organizational priorities of WFP for the four-year planning period, and forecasts the availability of resources and income to WFP during the same period.
 - On alternate years, when no Strategic and Financial Plan is to be presented to the Board, an Issues Paper would be prepared. This document would briefly review a small number of key emerging issues which may merit discussion by the Board, but which would not necessarily require the preparation of separate documents. This would enable the Executive Board to hold the policy discussion it had requested.
3. The present paper is the first prepared under the arrangements described above.
4. The three topics for consideration in this paper were decided by the Bureau of the Executive Board, following consultation with the regional groups. They are:
 - WFP development interventions revitalized
 - The multilateral character of WFP's development activities
 - United Nations Reform: field level collaboration in the provision of development assistance

WFP DEVELOPMENT INTERVENTIONS REVITALIZED

5. The Executive Board (EB) recommended that early discussions on the use of food aid as an instrument for development be initiated, with the aim of carrying out a policy review. The latter would build on a number of earlier initiatives which have examined WFP's role in development, including: the Study on the Effectiveness of WFP Aid to Development (CFA: 37/P/INF.1), the Evaluation of the World Food Programme (Tripartite Review, 1994), and various WFP-initiated case studies. These exercises have highlighted the need to focus on those interventions where lack of food is part of the problem and the provision of food is an appropriate response, as well as the need to emphasize that food is a resource



which has to demonstrate its value just as is required for other kinds of development assistance

6. Several Executive Board decisions have contributed to a greater understanding of how food can assist those who need it most: the EB decisions on monetization which re-focused the use of food as a direct resource for development; the ones on reaching mothers and children at critical times of their lives, which defined the role of food in providing benefits for expectant and nursing mothers and young children; and decisions on enhancing WFP's assistance to the poorest countries, which addressed issues related to development implementation capacity. Moreover, the EB has encouraged the Programme to continue efforts to meet its objective of providing at least 90 percent of its development assistance to low-income, food-deficit countries, and at least 50 percent to least developed countries. This objective was attained in 1997 for the first time.
7. WFP will continue to sharpen the focus of its development activities, as food aid has a special role to play in the sustainable reduction of hunger and food insecurity. There remains a need to further clarify and articulate the particular advantages of food assistance, and define how and when WFP should intervene with food. WFP would also need to address the implications of a focused approach to development with respect to the identification, design, implementation and monitoring of WFP food-assisted interventions.
8. A review of the role of food aid should enable WFP to:
 - a) **Identify the unique features of food as a development resource**, specifying target groups for which food assistance can make a difference and conditions under which these target groups require WFP assistance. The review would examine how development programmes can build on the following special features of food:
 - i) food for physical and mental growth, good health and productivity;
 - ii) food for household food security;
 - iii) food for women and the special role of women in securing family food security; and
 - iv) food enabling poor families who spend a high proportion of their time and income on obtaining food to participate in development opportunities.
 - b) **Link food assistance with longer-term development.** Food assistance meets short-term food needs and plays an important role in addressing longer-term developmental needs. Food as part of a well designed package would enable the poor to take advantage of a development opportunity: for example, education, skills training and asset creation. In order to effectively provide longer-term benefits, as well as immediate consumption benefits, WFP would examine:
 - i) how and when short-term food-related benefits can enable people to profit from longer-term development activities;
 - ii) the advantages of food assistance in reducing household food in-security; and
 - iii) the most promising opportunities for complementarities between food aid and other development activities.
 - c) **Prepare for and prevent emergencies.** Disaster preparedness, prevention and mitigation are integral parts of WFP's work. The review would explore ways for more effectively:
 - i) preparing for periodic disasters;



- ii) identifying vulnerable areas and people before the disaster; and
 - iii) introducing activities which will lessen the impact of and help people cope with disaster.
- d) **Focus on those most in need.** WFP targets people, in particular women, who face food shortages. In order to reach these people, WFP would assess mechanisms for:
- i) targeting and conducting needs assessments;
 - ii) involving beneficiaries in identifying problems and solutions and in implementation; and
 - iii) working with implementing agents in the poorest areas.
- e) **Strengthen partnerships.** There is wide recognition of the need to establish partnerships with the private sector, NGOs, communities, national and local governments and other agencies, as food aid alone cannot achieve the desired developmental impact. WFP will seek out partnerships to ensure that the food it provides is complemented by the necessary development inputs. WFP will examine:
- i) practical steps to strengthen collaboration with United Nations partners, particularly FAO and IFAD;
 - ii) cooperation with UNDAF as a framework for complementary programming;
 - iii) the link between government priorities and WFP's more focused interventions; and
 - iv) the potential for expanded cooperation with bilateral development agencies.
- f) **Define and maintain appropriate standards and sustainability.** Quality standards and sustainability are linked to the expected impact of activities. Closely related to these issues is the cost-effectiveness of a given activity in relation to longer term benefits. WFP will need to develop a clearer understanding of these issues and methods for clarifying expectations, establishing standards and assessing impact. Therefore, the review would consider:
- i) appropriate standards of technical quality;
 - ii) ensuring and demonstrating a developmental impact;
 - iii) cost-effective programming;
 - iv) building local capacity for effective use of food aid;
 - v) sustainability requirements for food-aid assisted programmes; and
 - vi) building these elements into programme design.

UNITED NATIONS REFORM: FIELD LEVEL COLLABORATION IN THE PROVISION OF DEVELOPMENT ASSISTANCE

9. The Secretary-General, in his report "Renewing the United Nations—a programme for reform" of 14 July 1997, adopted by the General Assembly on 12 November 1997, identified a number of substantive priorities for a revitalized United Nations. Two of these priorities are of particular importance to WFP's humanitarian and development assistance. This section refers to the reform measures in the field of development assistance only.



10. Under Action 10, the Report states: “(a) In order to achieve goal-oriented collaboration, programmatic coherence and mutual reinforcement, the United Nations programmes of assistance will be formulated and presented as part of a single United Nations Development Assistance Framework (UNDAF) with common objectives and time frame. Programme funds managed by each of the programmes and funds would be included in the document, but remain clearly identifiable. Preparation would entail collaborative programming and close consultation with Governments, including compatibility with Country Strategy Notes wherever they exist. (b) All funds and programmes and United Nations information centres will be part of a single United Nations Office under the Resident Coordinator as the designed representative of the Secretary-General and leader of the United Nations country team, who would be accredited to the head of Government. (c) Common premises of the United Nations at the Country level will be named “UN House...”
11. The above reforms are being overseen by the United Nations Development Group (UNDG) under the guidance of its Executive Committee (ExCom), which is chaired by the Administrator of UNDP, and is further composed of the Executive Heads of UNICEF, UNFPA, and WFP. The ExCom meets every two months; its most recent meeting took place at WFP headquarters on 30 March 1998. The membership of UNDG consists of 14 agencies, funds and programmes of the United Nations, including IFAD. Specialized agencies, including FAO, have been asked to associate themselves to UNDAF, and many play an active role in the field.
12. UNDAF aims to drastically intensify the ongoing process of increasing collaboration at the country level, which focuses around the Country Strategy Note (CSN), including a common database (the Common Country Assessment (CCA)). Eighteen countries¹ have been retained as pilot countries, and a first round of country-specific UNDAF documents is being prepared and reviewed. While UNDAF is a decentralized process, common characteristics are that it is guided by the United Nations Resident Coordinator, and a Country Team, consisting of representatives of agencies in the countries concerned. The work of the Country Teams is being supported by a number of thematic working groups.
13. As one of the original Joint Consultative Group on Policies (JCGP) agencies, WFP is playing an active role in the process in 12 out of the 18 countries where it has an operational programme. Apart from the Country Director being a member of the Country Team, WFP staff take part in most of the thematic working groups, and in all of the groups on issues such as poverty alleviation, food security, agriculture development, nutrition, health and education. Since food aid does not represent any particular development theme, WFP does not generally chair the more traditionally development-oriented thematic working groups. However, within the UNDAF framework, WFP is taking the lead in respect of disaster mitigation/food crisis prevention, and in several countries specific groups have been set up following WFP’s initiative.
14. Although UNDAF is a decentralized process, a support system has been set up both in New York and in the individual agencies. Within WFP, a focal point was established in September 1997 with “hot line” points in all of the Regional Bureaux. Eight WFP staff have been trained. The last system-wide training session took place at WFP headquarters from 29 to 31 March 1998, and was attended by staff from 17 different agencies. WFP will also send two staff members to participate in the joint assessment of the first UNDAF experiences in six pilot countries, scheduled to take place from June/July 1998. Apart from

¹ Colombia, Ghana, Guatemala, India, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Namibia, Philippines, Romania, Senegal, South Africa, Turkey, Viet Nam and Zimbabwe.



WFP's New York Office being in daily touch with the UNDG office (UNDGO), and with the various working groups, WFP has seconded a staff member to UNDGO as Associate Director.

15. WFP sees the UNDAF process as a crucial mechanism to arrive at more systematic collaboration and complementarity between the participating agencies. The mere fact that programme cycles are being harmonized will facilitate agencies' consultations before finalizing their own country programmes, with a view to increasing co-funding arrangements or to optimizing technical inputs. While the present phase is a pilot one, there appear to be several pragmatic advantages which will be further explored in the months to come:
 - a) UNDAF and its mechanisms will be an important instrument with respect to the formulation and implementation of WFP Country Programmes, under the new decentralized structure;
 - b) the availability of agreed upon UNDAF basic documentation including common indicators and a common assessment, would simplify the current Country Strategy Outline and Country Programme process, while making WFP documents more food-aid-specific; and
 - c) it is expected that the Country Teams could play an advisory role with respect to the formulation and mid-term review of Country Programmes. The thematic teams could play a role with respect to project preparation and technical appraisal of specific activities once Country Programmes are approved by the Executive Board.
16. WFP will further explore the feasibility and modalities of the above indicated avenues during the forthcoming months. A short information paper on progress made will be presented to the Board's Third Regular Session.

THE MULTILATERAL CHARACTER OF WFP'S DEVELOPMENT ACTIVITIES

17. In recent years, there has been a significant decline in the level of core funding to the United Nations funds and programmes. While the overall level of core and non core resources to the United Nations system has shown modest increases, the proportion of multilateral contributions (also defined as core resources in other agencies) has been significantly reduced, now constituting less than half of total resources received. This trend has raised concern not only among the United Nations agencies, but also of the Secretary-General himself, as noted in his United Nations reform proposals. This subsequently led to the General Assembly's adoption of Resolution 52/12B requesting the Secretary-General to submit proposals for the establishment of a new system of core resources, with the objective of obtaining funding for United Nations development cooperation on a "predictable, continuous and assured basis."
18. The consistently high levels of financial support provided by Member States signify a high degree of confidence in the United Nations system as an instrument of multilateral development cooperation, and in its capacity to implement approved programmes. However, the increasing tendency of Member States to direct multilateral development assistance sets up an incongruous situation. Thus, while the funds and programmes of the United Nations system are entrusted with the management of resources, the same confidence is not evident in the role of the Executive Boards to decide where and how those resources are to be used within a framework of approved policies, priorities and



programmes. Wittingly or otherwise, the authority of the Boards is being gradually undermined in such situations, with individual Member States appearing to be uncomfortable with decisions taken by these Boards, even when they might be members of the same Boards.

19. WFP, as one of the voluntarily funded United Nations programmes, has also been subject to these trends. This is the case particularly as regards the Programme's development activities, even though emergencies continue to be generally well supported despite the increasingly directed multilateral nature of contributions. WFP has traditionally relied on a voluntary, multilateral funding base in order to have the flexibility to procure and deliver two to three million tons of food annually in the most cost-effective and efficient manner. While WFP has been successful in maintaining high overall levels of resources, averaging 1.3-1.4 billion dollars annually, the decline in multilateral resources has accelerated in the last two years since the introduction of the Resource and Long-term Financing (R<F) model in 1996.
20. Prior to the implementation of the R<F policies, resources channelled through WFP were either multilateral or bilateral. The R<F model enables donors to channel contributions to WFP through three funding windows: multilateral, directed multilateral and bilateral, while ensuring full cost recovery and predictable resources for the Programme Support and Administration (PSA) budget. The intention to secure a predictable funding base for all activities undertaken by WFP has had quite the opposite effect, as the level of "multilateral" contributions to development declined from 93 percent in 1995 to 65 percent in 1997. However, the definition of multilateral prior to 1996 was broader and imprecise. It included more than what may be termed as "pure" multilateral, i.e., contributions having no conditionality whatsoever, as well as those with varying degrees of conditionality. Since 1996, the latter variation has moved into the directed multilateral category, which now accounts for 31 percent of contributions to development.
21. The higher proportion of directed multilateral resources has resulted in increased administrative costs and a greater degree of complexity in the programming process, restricting WFP's flexibility to respond quickly to changing operational realities in the field. In the longer run, this tendency can also lead to a reduced overall level of resources for development, and may impair the cost-effectiveness of the Programme. For example, the Board has reached a delicate balance between the principle of universality and the need to prioritize scarce resources to the most needy countries and populations. This is shown in its decision to provide at least 90 percent of WFP's development assistance to low-income, food-deficit countries (LIFDCs) and at least 50 percent to least developed countries (LDCs). If individual Member States seek to surpass this objective, through directing their individual contributions, this could lead to the use of multilateral resources provided by other Member States for development programmes approved by the Board in countries other than LDCs. This may cause these latter Member States to reduce their multilateral contributions or choose to direct their contributions because WFP does not use them proportionately enough in Board-approved programmes in LDCs. More importantly, as such increased directing of multilateral food aid for development curtails WFP's capacity to call forward and transport commodities in an optimal way, the Programme's efficiency and cost-effectiveness will suffer.
22. It is hoped that the ongoing review of the R<F policies will encourage donors to fund WFP development programmes through the multilateral window. In any event, it is critical that the policies adopted do not have a negative impact on the overall level of resources available to the Programme.



