Our Programme of Work from 2013 onwards reflects the dynamic changes taking place in Asia. Today, I would like to start out by highlighting challenges in few countries in the region.

In Afghanistan, WFP's current PRRO, which was approved by the Executive Board in February 2010, was formulated when circumstances in Afghanistan were very different and let's say, more optimistic. At the time, we expected improved access and strong donor support and launched an ambitious PRRO aimed to assist 7 million people on an annual basis.

But since then, we have seen quite a different reality over the last few years, signified by ever deteriorating security situation, occasional evidence of mis-use of humanitarian assistance, and clear donor fatigue. This past summer saw an alarming increase in direct attacks on WFP food convoys, resulting in a loss of at least 200 mt of food commodities. The cumulative effects have significantly affected the implementation of our programme and forced us to "rethink" our focus and approach.

This notwithstanding, I would like to recognise our team in Afghanistan for the stellar work they are doing – In my visit to Kabul and Jalalabad last month, I was impressed time and again at their commitment to provide food and cash assistance to those in need under volatile conditions. It has not been easy. And, I must commend our team for their leadership, foresight, and perseverance, as they carried out strategic reviews and evaluations to determine priority investments for the next PRRO.

In particular in response to growing concerns over food-diversions, the Country Office has proactively established a Compliance Unit and a Beneficiary Hotline and has systematically broadened its community outreach. Anyone can call the hotline to draw our attention to possible irregularities. The Compliance Unit has the responsibility to look into any incident of suspected wrongdoings – by partners, contractors or WFP staff. Since its creation the team has investigated 89 cases, primarily concerning food misuse by local authorities, and successfully closed 51.

To ensure our assistance in Afghanistan is achieving intended goals, the PRRO's focus will now be tightened, decreasing the number of activities and geographical coverage. Consequently, we will be targeting the most vulnerable 2.4 million people in 2013, instead of the 7 million planned in the current PRRO. The budget will be reduced correspondingly from US\$365 to some US\$140 million a year and the number of international and national staff will be cut by over 50 percent.

Similar to Afghanistan, our new PRRO in Pakistan foresees a drastic cut back, in the absence of an Emergency Operation and taking into account funding realities. You will hear more tomorrow from Jean-Luc Siblot, our Country Director in presenting the new PRRO. But, I also need to remind you that we are in the midst of our flood response – for the third year running - using existing stocks under the current PRRO.

Though there has been no international appeal for the current flood response, the assistance is clearly needed at the local level. In the first phase, we have reached 400,000 people in Sindh and Balochistan. This second phase targets 1.2 million flood-affected people for one month, and 700,000 people within this caseload for another two months.

I should also commend the Government of Pakistan both at the federal and provincial levels for their in-kind wheat contributions. We have received some 75,000 tonnes from the government this year alone. However, WFP also needs additional external donor support to replenish the stock used for flood response, so that other important PRRO activities are not negatively affected.

In DPRK, WFP and FAO recently-concluded the Crop and Food Security Assessment (CFSAM), which received proactive support from the government. In terms of food production, the report estimates a 507,000 tonne deficit in staple food – the lowest in many years, and we expect the Government to commercially import 300,000 tonnes to narrow the gap further to 207,000 tons.

However, the fragility of the nutrition situation remains a serious concern, especially as one small shock can have a significant impact on vulnerable population. The mission confirmed a significant deficit of proteins, fats, micronutrients and oils in the DPRK diet. The preliminary findings reinforce WFP's continued nutrition focus under the PRRO, rather than addressing the cereal gap. Those who are interested are welcome to attend a briefing on DPRK's CFSAM at 1400hrs today.

Moving on to Myanmar -- We have all been following the important developments unfolding in this country with much interest. May I take this opportunity to welcome the Deputy Minister from the Ministry of Border Affairs, His Excellency Mr. U Zaw Win visiting this session of our Executive Board. You will hear more about Myanmar tomorrow from Carlos Veloso, our Country Director, who will introduce the new PRRO.

But I'd just like to mention a few points on Rakhine State where we saw the recent upsurge in communal unrest. Rakhine State is an extremely remote region, and most affected communities can only be reached by boats. Though security has been a concern, WFP has successfully reached the affected population of about 35,000 people, except for one small community of about 500 people. This is on top of the 65,000 people who were originally displaced in June.

The situation is rather delicate. We need to understand and accept that reconciliation between communities will take time. And we, as the international community, must be prepared to help in this crisis for the long-term. As we are currently using our in-country stock meant for other activities, we require a steady flow of resources to underpin stability for this region. At this stage, we estimate a need of US\$11 million for the next six months. Regional partnerships

Moving away from individual countries, I think the Board will be pleased to hear that we have seen a significant reinforcement of interagency partnerships at the regional level in Asia.

Regional Directors from FAO, UNICEF, WHO and WFP came together this year in a show of regional level collaboration and commitment on nutrition. In Vietnam, I was part of a high-level panel to strengthen collaboration among Governments, UN Agencies and other key partners, in scaling-up nutrition interventions through a multi-sectoral approach. In May this year, we had a similar meeting attended by the Regional Directors of the 4 Agencies in Cambodia on food and nutrition security with the presence of the Prime Minister Hun Sen.

Just last month in Bangkok, (the 3 Rome based agencies) FAO, IFAD, WFP and the Asian Development Bank jointly hosted a regional high-level consultation on policies to respond to high food prices in Asia and the Pacific region. Participants from 20 Asian countries, including Ministers and Vice-Ministers, discussed and suggested priority policy options for the short, medium and longterm. For WFP, the forum brought to light the priority for governments to strengthen social safety nets, including conditional cash voucher schemes, school meals, and nutrition interventions.

We are also strengthening our linkages with ASEAN. We now have an agreement with ASEAN on procuring and stockpiling emergency non-food items in the Humanitarian Response Depot (HRD) in Subang, Malaysia. We have also extended our offer to assist the ASEAN in capacity building in emergency preparedness and response, including assessments, monitoring, and logistics.

Urbanisation

My last point is on urbanisation in Asia where in 1985, there were less than a billion people living in Asian cities and where estimates project that there will be well over <u>two billion</u> people in Asian urban areas by 2025.

Yes, the rural poor remain vulnerable and continue to need help building their resilience to shocks – but the urban population is more and more likely to be caught up in major emergencies. We have recognised this at WFP – and recognised it as a gap in our understanding and operational readiness, to the extent that we are conducting a study to help us understand how we need to adapt, and think and act differently to improve our response in an urban context.

Thank you for your continued interest and support to the Asia region.