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## **SUMMARY OF THE WORK OF THE ANNUAL SESSION OF THE EXECUTIVE BOARD, 2014**

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. In accordance with a request by the Board at EB.A/2010, the decisions and recommendations from the session are contained as Annex I of this document.

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



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## CURRENT AND FUTURE STRATEGIC ISSUES

### Opening Remarks by the Executive Director (2014/EB.A/1)

1. The Executive Director focused on the changes occurring in WFP, operational and policy issues, and the need for effective collaborations to promote food and nutrition security. WFP was learning lessons from Fit for Purpose, and sought feedback from Board members to ensure that the changes led to improved outcomes for the people it served. The changes in WFP were in line with the shift in the humanitarian system towards integrated actions to achieve food and nutrition security.
2. In the current context of financial stringency and four Level 3 emergency responses, funding shortfalls were affecting other operations. Drought was threatening some areas, and conflict and insecurity were reducing access for WFP's food-assistance interventions. Major food airlifts would be required, with serious cost implications. The Executive Director urged the governments concerned to guarantee safe access for all humanitarian operations.
3. Increased funding was needed to enable WFP and its partners to address serious and increasing humanitarian needs in the Democratic Republic of the Congo, Somalia and Yemen in addition to those in the Level 3 crises. WFP's Operations Centre and its new procedures had been put to the test recently in response to floods in Bosnia and Herzegovina and Serbia. It was already working effectively to maximize positive outcomes for affected populations.
4. The Executive Director reiterated the importance that WFP attached to partnerships with the Rome-based agencies (RBAs), United Nations organizations, non-governmental organizations (NGOs) and the private sector; new systems were being developed to evaluate the effectiveness of these partnerships. She updated the Board on a number of people initiatives, including the progress with the Local Staff Transfer Project, which was to move 3,000 locally recruited staff from United Nations Development Programme to WFP/FAO administration, ensuring that all staff were governed under the same set of rules.
5. WFP was working to achieve its commitment to the United Nations System-Wide Action Plan on Gender Equality and the Empowerment of Women (UN SWAP), and was putting in place steps to achieve gender parity for international professional staff in five years. Resource management systems were becoming more transparent and accountable, and an improved performance management process was promoting a results-based culture. Risk management had been enhanced through the Preparedness and Response Enhancement Programme (PREP).
6. The changing world presented new opportunities, but also many challenges that had to be addressed, particularly with regard to issues related to climate change and population growth. To achieve this, a transformation was needed in how humanitarian and development efforts were approached. Greater harmonization and coordination had to be embraced to achieve holistic multi-stakeholder approaches. This meant working in collaboration with partners, academic organizations and United Nations actors, especially with regard to the emerging issue of food insecurity in middle-income countries (MICs).
7. The Executive Director thanked all donors for their contributions, noting that WFP maintained its determination to be the humanitarian partner of choice to achieve Zero Hunger in our lifetimes.

8. Ms Kristalina Georgieva, European Commissioner for International Cooperation, Humanitarian Aid and Crisis Response, confirmed the commitment of the Directorate General for Humanitarian Aid and Civil Protection (ECHO) to supporting WFP. Lessons learned included the need for sound policies, capacities, partnerships and funding. The move to food assistance was helping to protect livelihoods, and cash and voucher (C&V) distributions, which accounted for 32 percent of ECHO's annual contribution to WFP, supported beneficiaries' dignity, resilience and empowerment. A process in ECHO similar to Fit for Purpose had reduced costs and improved efficiency; similar benefits would certainly accrue to WFP. ECHO recognized that partnerships were becoming more important as humanitarian crises increased in frequency and intensity.
9. The Board warmly thanked the Executive Director and Ms Georgieva for their observations. Board members noted the challenge of obtaining secure funding, and called upon donors to find ways to provide the financing required by WFP. Some members recommended an independent review to provide assurance that the changes resulting from Fit for Purpose and other initiatives were maximizing positive outcomes for beneficiaries: this was particularly relevant in view of the evolving demographics of hunger as a greater proportion of food-insecure people now resided in MICs. WFP needed to reconsider issues such as income levels, tax bases and markets to determine its intervention thresholds. The need to review the criteria for disengagement was also signalled.
10. The Board was unanimous in praising WFP's commitment to partnerships in addressing hunger and food insecurity, particularly as it would help to unite humanitarian organizations in coherent and harmonized approaches; the ongoing work with the RBAs should be extended along with approaches such as South-South cooperation to achieve sustainable solutions to hunger. Board members recommended the development of indicators to measure the value-added arising from various types of partnership. WFP's commitment to being the "partner of choice" in hunger-related interventions was warmly supported.
11. Board members expressed their appreciation of the courage and commitment of WFP staff working in often dangerous situations. They also praised WFP for its effective responses to the Level 3 emergencies, especially in that its work was supporting resilience and recovery, and was involving governments and private-sector organizations in dialogue on policy and actions to drive growth. The Board applauded WFP's commitment to gender equality and the protection of vulnerable women and children, and expressed approval of the effectiveness of WFP's innovative cash-based modalities.
12. The Board expressed appreciation of WFP's overhaul of its financial system, and of the increased transparency and accountability that had resulted; the positive responses to audit recommendations were also commended. The effectiveness of the advance financing mechanisms was recognized, and the Secretariat was urged to optimize these systems and to develop new evidence-based policies and business methods. Board members valued the consultative approach adopted to identify concerns, policies and actions.
13. The need to raise the public profile of WFP and to safeguard its reputation was signalled by Board members, who felt that its significant work as a cluster leader and provider of logistics and air services for United Nations partners and its part in multi-sectoral collaborations were often overlooked. The establishment of the new United Nations Humanitarian Response Depot (UNHRD) hub in Las Palmas, Gran Canaria was applauded, and Board members observed that WFP would need a cadre of trained and experienced staff to maintain its many activities in the coming years.

14. The Executive Director assured the Board that the Secretariat had already been discussing a structured review of Fit for Purpose, which was to draw on the expertise of independent oversight bodies and would be submitted to the Board in 2016. A joint paper on resilience programming was being developed by the RBAs in collaboration with the International Food Policy Research Institute (IFPRI). WFP was already evaluating its activities in MICs and working with IFPRI, Professor Swaminathan's foundation and other research organizations to identify how WFP could best respond and what WFP could bring to the table. The Board's support for WFP's partnership approach was warmly welcomed: the Executive Director noted that WFP was fully involved in initiatives such as PREP and with the RBAs on the post-2015 agenda. WFP's institutional changes were designed to optimize outcomes for beneficiaries in a context of inter-agency collaboration, and would be evaluated on that basis.
15. The Executive Director thanked the Board for its appreciation of the work of WFP staff in difficult situations, and for its inputs to the various informal consultations. She also thanked WFP's donors for their support in a period of financial stringency, assuring them that WFP would as always seek to allocate funding to achieve maximum food and nutrition impact for the hungry poor.

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## ANNUAL REPORTS

### **Annual Performance Report for 2013 (2014/EB.A/2) (for approval)**

16. Presenting this final Annual Performance Report (APR) on WFP's 2008–2013 Strategic Plan, the Secretariat noted its enhanced analysis of outcomes and their causes; reporting on organizational strengthening; the shift to including beneficiaries beyond those who received direct food assistance transfers; and alignment with the Quadrennial Comprehensive Performance Review.
17. The Board welcomed the informative and well-structured document, commending the results, particularly under Strategic Objectives 1, 2, 3 and 5. Achievement of Strategic Objective 4 required longer-term engagement and greater collaboration with partners. In particular, members welcomed the increased use of C&V, including electronic vouchers; investments in preparedness activities; wider definition of beneficiaries; increased local procurement, including through Purchase for Progress (P4P); progress in learning and innovation; greater use of evaluation; links to the Zero Hunger Challenge; and developments under the Fit for Purpose exercise.
18. Members requested more analysis of nutrition and school feeding outcomes, procurement in developing countries and achievements in facilitating diversity; more disaggregated data were required, particularly by gender. The Board urged the Secretariat to continue increasing country offices' reporting on gender indicators, which should be included in all projects by 2015. The Secretariat was asked to explain why beneficiary numbers had declined and why the average cost per beneficiary increased. It was suggested that the APR be shorter.
19. Noting the reduction in initiatives for protection against sexual exploitation and abuse and the increase in security incidents involving staff, members encouraged the Secretariat to work with governments to promote international human rights law and humanitarian access. WFP should also continue highlighting forgotten emergencies and expanding its involvement in MICs. Members called on donors to continue contributing to WFP, particularly through flexible, multi-year donations; they suggested that the Secretariat and the Board discuss why donors provided more funding for some Strategic Objectives than others.

20. In response, the Secretariat explained that causes of the drop in direct beneficiary numbers included improved food security in some situations. Assessing cost per beneficiary was an evolving process which in 2013 was affected by cost drivers including the Syrian operation, the longer duration of many interventions, security costs and the use of air operations. The financial framework review would increase understanding of cost drivers, facilitating improved measurement of cost efficiency. The “People Strategy” would outline efforts to increase the percentage of women in senior positions within WFP. School feeding expenditure had declined as programmes transitioned to national ownership; a report by the School Feeding Unit would provide details.
21. The Executive Director noted that the organizational strengthening exercise would facilitate better data collection and reporting, including through the Performance and Competency Enhancement process. Gender balance in staffing depended on providing opportunities for both women and men to build relevant skills and experience.

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## POLICY ISSUES

### **Update on WFP’s Role in the Humanitarian Assistance System (2014/EB.A/3) (for consideration)**

22. The Secretariat drew attention to the Transformative Agenda (TA) and to WFP’s significant role in the food security, logistics and emergency telecommunications clusters. WFP aimed to optimize effectiveness and efficiency through collaborative actions. Noting the increasing scale of humanitarian needs, the Secretariat emphasized that coordinated responses by United Nations agencies and other actors in line with the TA were fundamental in addressing them. The current needs were to better balance delivery and coordination, put in place rapid funding mechanisms for Level 3 responses and clarify the coordination arrangements.
23. The Board thanked the Secretariat for its overview, and applauded WFP’s engagement and lead role on many aspects of the TA. Board members noted in particular the importance of the accountability to affected populations concept, recommending that it become a mandatory element of TA operations. Board members were encouraged that the TA would promote efficiency, optimum resource utilization and collective planning. Several members urged WFP to ensure that gender considerations and external audit recommendations were reflected in coordinated responses. Others commended the decision to include inputs from Humanitarian Coordinators in performance evaluations of Country Directors. One member urged WFP to accelerate the distribution of Central Emergency Response Fund (CERF) funding to NGO partners to ensure that operations started promptly, but also noted that the classification of disasters would benefit from further consideration. The Board noted the need to ensure the safety and security of staff.
24. Thanking the Board, the Secretariat noted that WFP was seeking to obtain more multilateral funding; the planned evaluation of the effectiveness of pooled funding would help in this respect. The clusters were being funded through the special operation category, which provided transparency, but dialogue with donors was needed to increase funding. WFP’s advance funding mechanisms along with CERF were being used to ensure that operations were financed rapidly; the Business Process Review would contribute to improved resource management. Lessons learned in relation to the TA would be reviewed regularly. In the future WFP expected to provide about 10 percent of the Humanitarian Coordinator pool. Accountability to affected populations was being embedded in both Level 3 and non-Level 3 responses.



## **WFP Corporate Partnership Strategy (2014–2017) (2014/EB.A/4)** **(for consideration)**

25. The Secretariat thanked the Board for its feedback and inputs to the consultations, noting that all changes proposed had been incorporated. The strategy was framed around the concept “We deliver better together”, recognizing that WFP needed complementary capacities to carry out its mandate. WFP aimed to be the “partner of choice” and would work with other agencies to establish common partnership principles with a view to maximizing the consistency and cost-effectiveness of joint operations. The costs of the initiative were being managed under the zero nominal growth budget and so did not involve additional expenditure over and above the planned funding.
26. The Board welcomed the document, noting that it was aligned with the shift to food assistance modalities but that a clearer reference to WFP’s mandate was needed in the Unique Value Proposition. Board members particularly commended the range of partnership options outlined in the paper, noting that the principle of equity embraced partners of all sizes and that operational risks were shared more widely. Members suggested that WFP seek to take more advantage of local potential; it was also suggested that staff of the Partnership and Governance Services Department be more regionally diverse. Several members commended the focus on consultative approaches to problem-solving and the support for gender needs; some cautioned that potential conflicts of interest would require careful management. The focus on sustainability and resilience was also praised. Some Board members sought clarification as to regional and country office costs, while others signalled the need for training and the development of indicators to measure progress towards implementation.
27. The Board urged the Secretariat to ensure that WFP be attentive to its reputation in its partnerships, and that it reserve the right to opt out of any collaboration in circumstances where its excellent reputation might be compromised. Board members recommended a continued focus on the RBAs, including initiatives such as Delivering as One, and approved the recognition of gender, diversity and disability issues. The Board asked to be kept informed of future progress.
28. The Secretariat thanked the Board for its remarks, and reassured members that findings from the 2012 evaluation (WFP/EB.1/2012/6-A) had been utilized in developing the strategy. The costs of developing partnerships were so far related only to Headquarters. The Secretariat agreed that detailed indicators were needed to measure performance, and assured the Board that progress would be reported regularly.

## **Update on the Implementation of the WFP Gender Mainstreaming Accountability Framework (for information)**

29. The Secretariat thanked the Board for its support of WFP gender goals. Since the update was written, USD 2.2 million dollars had been allocated to gender mainstreaming, facilitating development of the new gender policy and roll-out of the Gender Mainstreaming Accountability Framework (GMAF). WFP was committed to meeting all the GMAF standards by the end of 2014 and exceeding them by the end of 2016; the 2015 Management Plan would include a budget allocation for gender for the first time. To increase the consideration of gender issues in WFP’s emergency operations, work was underway to incorporate gender-sensitive data into all assessments and to build the gender analysis capacity of staff; a model was being piloted in Chad.

30. Commending the Executive Director's promotion of gender considerations, the Board welcomed the progress since 2012, especially the incorporation of gender into management planning, and the Secretariat's intention of meeting all GMAF standards by 2014. However, most achievements were at higher levels of WFP, and there was need for improved gender reporting by country offices and inclusion of the gender marker in all projects. Resources for gender issues needed to be provided to all activities, including in the field.
31. The new gender policy would be critical and the Board called for broad internal and external consultations during its formulation. Members called for greater attention to WFP staff work–family life balance; more recruitment of women as local staff and food distribution monitors; and renewed efforts against gender-based violence.
32. The Secretariat added that to leverage progress at the field level, it was working with the Institute of Development Studies to capitalize on and systematize field experiences to share them among country offices and to inform improved gender mainstreaming in operations. Informal consultations would be held prior to the new policy's presentation at EB.2/2014.

### **Update on the Implementation of the Protection Policy (*for information*)**

33. The Secretariat reported that overall significant progress had been made in implementing the 2012 policy. Following demand, the policy was being implemented in 30 country offices, many more than foreseen in the original implementation plan. Achievements were made across all policy directions and the Strategic Results Framework (2014–2017) had been updated to include two indicators for measuring protection results. Some lessons had been learned: protection efforts required time and continuous engagement, funding for programme adjustments, managerial commitment and expertise. Results so far demonstrated that attention to protection issues improved the quality, effectiveness and durability of WFP programmes.
34. The Board expressed support for WFP's efforts and commended the Secretariat for the reported progress. The demand-driven implementation was noted, but some members preferred an incremental approach to facilitate testing and learning. Investments were needed to develop in-house expertise and guidance on addressing protection issues specific to food assistance programmes.
35. Members requested more information on how WFP integrated protection concerns into its cluster responsibilities and with partners. Ensuring the confidentiality of personal data was a particular concern. National governments' support of the policy was highlighted; the ultimate responsibility for protecting civilians rested with states. A member called for care to avoid misleading characterizations of specific countries mentioned in WFP documents. The Board called for a continued focus on protection and requested regular updates on progress.
36. The Secretariat reported that WFP and partners were discussing data protection issues. WFP would continue to rely on external expertise while it developed its own protection capacities; it was necessary to provide assistance to country offices when needed. Protection was considered an integral part of WFP's emergency and other programming. WFP was engaged with the protection and food security clusters, governments and other partners.

## RESOURCE, FINANCIAL AND BUDGETARY MATTERS

### **Audited Annual Accounts, 2013 (2014/EB.A/5) (for approval)**

37. The Secretariat discussed the document in detail, calling attention to the establishment in 2011 of the Statement on Internal Control. Areas for improvement in financial and risk management had been noted, and actions to address them were being implemented. Attention was drawn to the Statement of Financial Performance with the increased levels of contribution revenue, expenses – with notable increase in C&V expense – and the resulting surplus of USD 21 million. With respect to the Statement of Financial Position, WFP was on track to achieving the planned 100 percent funding of its employee liabilities by 2025. Much of the difference between budget and actual figures was accounted for by the Level 3 emergency responses.
38. The External Auditor noted that the Financial Statements for 2013 had received an unqualified audit opinion as a fair and accurate account of WFP's financial position. WFP management had cooperated fully and had agreed to implement the five audit recommendations pertaining to budgeting, inventory, asset management and trust funds. A recommendation had been made to provide information on actual funds available during the year to better explain the differences between the needs-based budget and actual expenditures. The External Auditor welcomed the Statement on Internal Control as an added assurance.
39. The Board thanked the Secretariat and the External Auditor for their observations, congratulated management on achieving an unqualified audit opinion and welcomed the continued issuance of the Statement on Internal Control. Board members looked forward to the roll-out of the new risk-management tools as part of the upgrade of WFP's financial and control processes. They emphasized implementation of the External Auditor recommendation to provide information on actual funds available during the year; this would also contribute to enhanced oversight. The Board commended the involvement of senior managers in providing statements of assurance and the recent issuance of a statement of risk appetite.
40. Board members asked for clarification of the increases in food losses and fraudulent dealing by vendors. They welcomed the 8 percent increase in revenues in a period of financial austerity, which reflected the confidence of governments and humanitarian actors in WFP's capacity. It would be important to ensure that WFP's internal controls were reviewed in order to identify shortcomings and ensure that the system was not over-complicated.
41. The Secretariat thanked the Board for its inputs, observing that the Financial Statement were a post-factum account of WFP's financial position. It was looking into including an integrated resourcing plan in the Management Plan to provide a sound basis for the Statement of Comparison of Budget and Actual Amounts (Statement V), which would reflect clearly the amount of available resources that were actually utilized. Quarterly corporate risk registers and mitigation actions had become the norm in WFP; the rate of food losses reflected the challenging circumstances in which deliveries were made. The Inspector General (IG) was investigating vendor fraud, which was dominated by two major cases.
42. The Secretariat paid tribute to the outgoing External Auditor, who provided sound advice to help improve WFP's financial accounting. The External Auditor thanked the Board for its guidance and support and the Secretariat for its cooperation during her time in office.

**Appointment of Two Members to the Audit Committee (2014/EB.A/6)**  
*(for approval)*

43. The President introduced the draft decision as recommended by the Selection Panel and endorsed by the Executive Director. The renewal of the terms of the two Audit Committee (AC) members was approved without discussion.

**Appointment of Two Executive Board Members to the Selection Panel for the Appointment of Three Audit Committee Members (2014/EB.A/7)**  
*(for approval)*

44. The President introduced the two nominations, which had been proposed by the Bureau. The appointments were approved without discussion.

**Financial Framework Review (2014/EB.A/8) *(for approval)***

45. The Secretariat outlined the financial framework review in detail and indicated how its components would improve the predictability of resources, increase the flexibility of funds management, and enhance the accountability of planning and cost management. It also presented detailed proposals for restructuring the Working Capital Financing Facility, related to the predictability component.
46. The Board commended the rationale expounded in the document and the process by which it was produced; the extensive pro bono analysis carried out by The Boston Consulting Group (BCG) and the continuous engagement with the Board were examples of good practice. Members supported the BCG conclusion that the three financial mechanisms covered distinct risks and should therefore be managed separately.
47. The Board stressed that the predictability of funding could also be enhanced by multi-year agreements and multilateral funding. It welcomed in particular the success of the Forward Purchase Facility (FPF), which had exceeded expectations in reducing lead time for delivery, the importance of which had been highlighted by the simultaneous Level 3 crises. While some members appreciated the conservative approach of maintaining the current leverage factor, others encouraged the Secretariat to return to the Board to request an increase to the ratio in the future as appropriate.
48. Members welcomed efforts to minimize food losses and supported the review of the self-insurance policy. The Board supported the Secretariat's continuation of the financial framework review to cover the flexibility and accountability components and to further examine country-cost benchmarking, cost drivers and value-for-money indicators. Members requested clarification on the cost-recovery system and forecasting contributions in view of the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). The Board invited the Secretariat to report back in one year on use of the three facilities during the year.
49. The Secretariat welcomed the Board's endorsement of the financial framework review. It agreed to the importance of multi-year and multilateral agreements to enhance predictability but clarified that the financial framework review had not presumed changes in donor contribution behaviour. The present leverage level had been optimized considering limitations in collateral, including contributions flagged by donors as unavailable for internal lending. The facilities would be subject to regular review, with ongoing engagement with the Board.

50. Regarding the ACABQ report, the Secretariat was of the opinion that the combination of WFP's large budget numbers, different business models and limited time constrained the ACABQ's understanding and consideration of the matter. It underscored that increasing internal lending was not in fact a policy change, and that it was important to allow for a dynamic management of collateral.

### **Annual Report of the Audit Committee (2014/EB.A/9) (for consideration)**

51. The Chairperson of the AC outlined the annual report. The AC supported improvements made by the IG to audit reporting and in management's progress in the enterprise risk management system. Discussions of treasury and investment oversight had focused on handling food price volatility and trading and hedging practices. Advice and support were also available from the Investment Advisory Panel and the World Bank Treasury. The AC would like the External Auditor to share reports for its consideration when finalized so that it could provide feedback, even between AC meetings.

52. The Board welcomed the report and expressed its awareness of the positive value of the work of the AC, particularly with regard to its support for the introduction of positive assurance and its concurrence with the decision to maintain a single indirect support cost rate. Several Board members expressed support for the improvement in the management of food price volatility, but recognized that time would be needed. Board members supported the AC in recommending that advance financing mechanisms be kept as simple as possible so that risks could be managed effectively and resources utilized to optimum effect. While the AC had raised no ethical concerns, the Board felt that the issues should be kept under observation.

53. The Board fully approved the AC's commitment to transparency and consultation. Its independent scrutiny of WFP's plans and actions was seen as a valuable asset that helped WFP to achieve its objectives.

54. The Chairperson thanked the Board for its remarks, observing that work on the statement of positive assurance was in line with developments in the private sector. Discussions of risk management issues to be covered in 2014 by the Office of the IG would focus on food manufacturing and safety, infrastructure projects and C&V programmes. During 2014 the AC was to discuss with management information technology infrastructure and human capital management.

55. The Secretariat thanked the AC for its work, which contributed positively to the development of new approaches in WFP.

### **Annual Report of the WFP Inspector General and Note by the Executive Director (2014/EB.A/10) (for consideration)**

56. The IG presented the report of his office's activities in 2013. No significant weaknesses were found in internal control, governance and risk management practices across WFP; individual audits were being addressed with management. An enhanced regulatory framework would be presented at EB.2/2014.

57. The Executive Director highlighted the IG's role as a business partner in improving WFP operations; management's progress in closing outstanding high- and medium-risk audit recommendations; and WFP's zero tolerance policy regarding fraud, sexual harassment and abuse of power.

58. The Board welcomed the report and applauded the IG innovations, including the focus on risks in the use of C&V and in food manufacturing. It appreciated efforts to explore the



opportunities for providing positive assurance; WFP would be the first United Nations agency with such assurance. Members recognized the independence and sufficient resources the Secretariat granted to the IG. Members raised concerns about the use of a more proactive investigation approach, which might result in infringement of individuals' privacy; and the persistently high- or moderate-risk ratings of information technology (IT) components. Members noted that enhanced identification of fraud had resulted in a recorded increase in cash loss for the year.

59. In response, the IG noted that losses to fraud were equivalent to about 0.1 percent of WFP's total expenditure; enhanced risk management would reduce the opportunities for fraud. Guidelines and frameworks were being developed to protect individuals' privacy and rights in proactive investigations. Potential IT risks were being assessed prior to implementation of a three-year strategy to address and mitigate these risks. The IG had recommended extending the time limit for implementing high-risk audit recommendations from 12 to 18 months to allow sufficient time to address the complex institutional challenges involved in some recommendations. Areas for improvement were communicated regularly to management and would be included in future reports to the Board. Procedures for providing positive assurance would be discussed with the AC and management in late 2014.

### **Report of the External Auditor on Food Procurement in WFP and WFP Management Response (2014/EB.A/11) (*for consideration*)**

60. In presenting the report, the External Auditor emphasized the need to ensure that food procurement was an effective, cost-efficient function that led to optimum outcomes for beneficiaries. The Secretariat had agreed to the nine audit recommendations pertaining to procurement planning based on a supply-chain approach, the FPF and Purchase for Progress; vendor management; food safety and quality issues; internal controls; use of IT tools; and oversight mechanisms.
61. The Secretariat drew attention to the scale of the procurement function, which had purchased 2.1 million mt of 47 commodities from 91 countries and managed a roster of 2,000 vendors. The system worked well overall, but improvements could be made; the FPF provided the platform for strategic procurement. Business objectives for procurement had been recalibrated to optimize seasonal opportunities for food purchases, achieve savings, reduce process time and ensure food quality across the supply chain.
62. The Board commended the comprehensive analysis in the report, welcomed its useful recommendations and expressed support for the concept of a procurement system integrated with other aspects of WFP's operations. Board members recognized the large vendor base and the need for a comprehensive vendor management system. While acknowledging the importance of value for money through competitive tendering, they urged that more attention be devoted to maintaining food quality. The need to prevent conflicts of interest by employing different inspectors for prequalification of vendors and quantity and quality assessments was recognized, but clarification was sought as to how this would be implemented. The Board noted that adequate funding was required for the procurement function to move forward on its business plan objectives and audit recommendations. The issue of assurance with regard to procurement was raised, and Board members recommended that the internal control system be reviewed.
63. In response, the Secretariat recognized the risks associated with increased local purchasing; these would be addressed through stronger risk management and support for enhanced regulatory frameworks, and a comprehensive approach on inspection companies. The Secretariat was working to integrate procurement with functions such as logistics to

ensure an effective and efficient supply chain, and was reviewing possible PSA-funded investments to be made, including in the procurement function. It anticipated that the External Auditor's recommendations would be fully implemented by the end of 2015.

64. The External Auditor thanked the Board for its positive comments and management for its cooperation in conducting the audit.

### **Report of the External Auditor on United Nations Humanitarian Response Depot and WFP Management Response (2014/EB.A/12) (for consideration)**

65. Presenting her report, the External Auditor highlighted that UNHRD was a unique inter-agency emergency response platform but there was scope for improvement, particularly in financial and human resources management, procurement and service delivery. UNHRD was encouraged to proactively address emergencies, develop a management information system for real-time analysis of operational support, closely interact with partners and ensure the sustainability of its function.
66. The Secretariat welcomed the first external audit of UNHRD – which had grown from one depot to a network with several hubs – as an opportunity to improve it. UNHRD was incorporating partner survey feedback obtained by audit into response action plans and was improving processes, especially in procurement, billing invoices and rotation of food stocks to prevent their expiry. Work was under way on staff strengthening, product standardization and a barcoding system. UNHRD sought to increase financial sustainability through income-generating activities such as training although it could not be funded by raising service charges alone: continued and enhanced donor support was also needed.
67. The Board thanked the External Auditor, expressed appreciation of the practical, high-value and direct recommendations, which would improve UNHRD's efficiency and effectiveness, and welcomed WFP management's acceptance of all 12 recommendations. Board members recognized UNHRD's increasingly important role in supporting WFP's emergency preparedness strategy and highlighted the major challenges underscored in the report, urging UNHRD to adopt a more proactive role. They noted that UNHRD was a good example of partnership that had achieved impressive results and urged improved synergies and cooperation to further enhance effectiveness. Better information-sharing, appropriate IT tools and more effective accountability and monitoring mechanisms would reduce operational risks. Members expressed particular concern about protecting WFP from the sort of reputational risk posed by shelf-life expiration of food items and emphasized the need for a cautious approach to setting up new hubs.
68. The Board commended management for its commitment to implementing a significant share of the recommendations already in 2014, took note of actions already taken and invited WFP to report back in one year. UNHRD was a valued partner affording access to WFP's logistical expertise, and its effectiveness in facilitating swift responses to humanitarian crises was commended. Donors were encouraged to consider providing support.
69. The External Auditor thanked the Board for its appreciation of the work done and WFP/UNHRD management and partners for their support in conducting the audit.

## **Report on the Implementation of the External Auditor Recommendations (2014/EB.A/13) (for consideration)**

70. The Secretariat presented the update, acknowledging the External Auditor's constructive role in providing feedback to management and assurance to the Board.
71. The Board welcomed the progress made, particularly in implementing recommendations regarding WFP's management of partners, projects and logistics, and compliance reporting. However, with only 51 percent of recommendations completed, members urged the Secretariat to accelerate implementation, particularly of recommendations from several years ago and those related to human resources management and C&V operations. They requested that future reports provide more information on progress towards completion and indicate whether recommendations were completed by their target dates.
72. The Secretariat reminded the Board that external audits were only one of several oversight reports, each generating recommendations. Implementation of some recommendations called for further assessments, reports and recommendations, which had to be implemented before the original recommendation could be deemed complete. Many outstanding recommendations of the human resources report related to the "People Strategy" to be presented at EB.2/2014.
73. While acknowledging the progress made, the External Auditor also emphasized the need to implement the pending recommendations on C&V and human resources management. She highlighted that the status of some recommendations deemed completed by management could change following their review by the External Auditor, requiring further action; this needed to be reflected in the report.

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## **EVALUATION REPORTS**

### **Annual Evaluation Report, 2013 and Management Response (2014/EB.A/14) (for consideration)**

74. The Director of OEV noted that the constraints flagged by the report included rigidities of in-kind funding, underfunding, poor use of monitoring for outcome measurement, weaknesses in gender mainstreaming and limited technical capacities. There was a need for longer-term strategic positioning with partners, funding diversification, a more systematic approach to country office strategic planning, better monitoring and evaluation (M&E) and operating models adapted to MIC contexts. Changes currently underway at WFP provided opportunities to progress. Part 2 of the report covered the evaluation function and OEV's performance, with reference to the recent peer review.
75. Commending OEV for its work, the Board took note of the evaluation's findings on insufficiencies in gender mainstreaming and looked forward to progress in that area. It expressed concern about harmonization of M&E among countries and welcomed the opportunity provided by the peer review of WFP's evaluation function to clarify the way forward. The Secretariat was encouraged to address gaps in technical capacity, ensure realistic hand-over plans, and diversify partners and funding sources.
76. In response, the Director of OEV welcomed the Board's interest in the report, and reminded members that they would receive a synthesis report at EB.2/2014 covering the operations evaluations series and that more detailed evaluation reports were available online. With respect to the Syrian response, she clarified that the Inter-Agency Humanitarian Evaluation Group of the Inter-Agency Standing Committee was supporting a coordinated



approach for accountability and learning to limit the burden on response teams; OEV would evaluate WFP's response using that approach. She also welcomed the Board's support for the evaluation function and looked forward to further dialogue on the response to the peer review's recommendations.

77. Management acknowledged the importance of gender mainstreaming, collaboration with national governments, exit strategies and country-level M&E approaches. The Chief Operating Officer assured the Board that progress on gender mainstreaming was being made in the context of the UN SWAP.

### **Synthesis Report of the Evaluation Series on the Impact of Food for Assets (2002–2011) and Management Response (2014/EB.A/15) (*for consideration*)**

78. The Director of OEV presented the synthesis report and highlighted the overarching conclusion that food for assets (FFA) had significant positive short-, medium- and long-term impacts in spite of the difficult country contexts that included poverty, natural disaster and conflict. The positive effects on longer-term livelihood resilience were notable considering that the evaluations covered activities that pre-dated current strategic and programmatic guidance. Women were specifically targeted and their participation enhanced women's social network support, freedom of movement and influence on household budget decisions. Long-term changes in food security and dietary diversity were muted and mixed except in Ethiopia, where significant improvement was seen.
79. Management outlined its response, fully accepting three of the recommendations and partially accepting the remaining two.
80. The Board welcomed the report and the diverse geographical locations covered by the evaluations. It welcomed the benefits seen in all six countries, noted factors critical for enhancing resilience and long-term impact and emphasized that FFA should be integrated in a broader set of investments. Members requested further information about lessons learned in Ethiopia. Improved monitoring would allow donors to better judge effectiveness; further study should be undertaken of FFA and long-term food security and effects on women's health and nutrition of participating in FFA. Other issues for possible future consideration were FFA's environmental impact, its potential for job creation in the agricultural sector for young workers, and comparing FFA's funding problems and comparative advantage with other programmes.
81. The Director of OEV explained that the mixed-method approach drawing on both qualitative and quantitative data was a well-established impact evaluation approach in data-scarce humanitarian contexts and for building understanding of causal factors. The evaluation of the longstanding Ethiopia programme Managing Environmental Resources to Enable Transition to More Sustainable Livelihoods (MERET) had been included because MERET was an early adopter of the approaches upon which WFP's recent programme guidance was based and thus it was a useful case for learning. She emphasized the importance of allocating resources to M&E.
82. Management explained that it was keen to gauge the reach of activities such as FFA beyond the direct beneficiaries of assistance and would work to develop appropriate methodologies to enable reporting on this. The absence of appropriate technical support was a major constraint for FFA. Gender, and in particular the potential nutritional burden on women, would be an explicit part of future FFA guidance.

## LATIN AMERICA AND THE CARIBBEAN REGIONAL PORTFOLIO

83. The Regional Director outlined WFP's work in the region, noting the overall alignment with Fit for Purpose and the intention to maximize efficiency and effectiveness in all operations. The Panama regional bureau (OMP) was providing technical support to the country offices in M&E, resource management, school feeding and donor relations. It was working in partnership with a number of organizations addressing disaster preparedness in Haiti and Nicaragua, food insecurity among indigenous peoples in Colombia, and malnutrition and food insecurity in Bolivia, Central America, the Dominican Republic, Mexico, Panama and Peru.
84. South–South and triangular cooperation continued to be active, especially involving Chile, Brazil and Mexico. A regional action plan to support the empowerment of women and promote microenterprises was being implemented in the context of school feeding and P4P, notably in Central America and Bolivia. WFP was also providing food assistance for Colombian refugees in Ecuador, where protection issues had been addressed; and for people living with HIV in Bolivia, Honduras, the Dominican Republic and Panama with a view to enhancing treatment outcomes. Food security assessments were being carried out regularly in collaboration with governments, many of which provided valuable support for operations through trust fund arrangements. Emergency operations had been mounted to provide relief and recovery following major floods in Bolivia – for which the Panama UNHRD hub had been critical – and to coastal areas of Mexico and Guatemala.
85. OMP was already implementing recommendations made in the context of the Central America regional portfolio evaluation.

### Summary Evaluation Report – Central America Regional Portfolio (2007–2011) and Management Response (2014/EB.A/16) (*for consideration*)

86. The Secretariat outlined the main elements of the regional portfolio evaluation, noting in particular that it covered four MICs and emphasizing that the evaluation urged a WFP approach to addressing food insecurity in this context. The regional portfolio was appropriate and WFP was seen as an effective partner, but the underlying causes of undernutrition had not been adequately addressed.
87. Management welcomed the evaluation and had adopted its recommendations with certain reservations. The observations about trust funds as an effective modality in certain circumstances had been noted, and an appropriate strategy to engage MICs would be explored, based on the results of the ongoing pilots.
88. Thanking the Secretariat for its overview, the Board stressed the need for clearer objectives and more precise targeting and observed that coordination of operations with governments and other stakeholders such as United Nations partners was essential to achieve positive regional outcomes. Several Board members reiterated the requirement for an integrated policy framework to govern WFP's food-assistance operations in MICs: this would have to cover the roles of governments that were at the same time donors and beneficiaries, capacity development, the tracking of trust fund activities, M&E needs and the alignment of country operations with regional objectives. Board members urged WFP to ensure that the needs of the most vulnerable remained a priority, and that approaches be adapted to context.

89. The Secretariat welcomed the Board's positive observations, and accepted that an in-depth assessment of operational approaches in MICs was needed – pilot operations were already in progress – and that an evaluation of trust funds would be advantageous. The need for harmonization of monitoring systems was recognized.
90. The Regional Director noted that trust funds were a flexible modality that enabled governments to support and eventually own food security and development interventions. The new regional plan took these and the other issues raised into account.

## EAST AND CENTRAL AFRICA PORTFOLIO

91. The Regional Director highlighted a positive trend in food security as compared to the Horn of Africa crisis period but noted that 8.5 million people faced emergency levels of food insecurity: these were mainly in connection with the conflict in South Sudan, but also because the eastern zones of the region had suffered poor harvests. The situation in Somalia was of growing concern, exacerbated by the phenomenon of “encircled cities” inside zones controlled by al-Shabaab that were short of supplies, which posed a risk for the inhabitants, particularly children.
92. Over the last five years, rising funding needs had not been adequately met, despite international commitments and generosity. The current funding gap was USD 1.5 billion, of which USD 500 million referred to South Sudan alone. In Ethiopia, WFP had only enough resources to reach 44 of 100 critical areas with urgent supplementary feeding.
93. The Level 3 emergency in South Sudan had put 4 million people at risk of famine, and in urgent need of food as the rainy season began. Insufficient funding, impediments to access and limited NGO capacity were all challenges. WFP was already reaching more than 1 million people and aimed to further scale up to reach more than 3 million, but the need for air operations was driving up costs.
94. The protracted nature of the refugee situation in all countries in the region, compounded by arrivals of new refugees, required innovations to increase efficiencies and address needs. Innovations to date had included use of biometrics, expanded use of C&Vs and furthering dietary diversity through fresh-food vouchers for women. In Uganda, a livelihood pilot targeting farm and off-farm refugees had been introduced. All these programmes required strong partnerships, such as that with the Office of the United Nations High Commissioner for Refugees (UNHCR).
95. The Board thanked the Regional Director for her comprehensive overview, expressing concern about the refugee and relief needs in the region and commending work with partners.

### Country Programmes – Kenya 200680 (2014–2018) (2014/EB.A/17) (for approval)

96. The Country Director presented the country programme (CP) for simultaneous consideration and approval on an extraordinary basis. The elections of 2013 had ushered in a period of relative peace, but security threats continued. WFP was focusing less on direct assistance and more on capacity development, community relationships and partnerships with NGOs, United Nations agencies and the private sector.
97. The Board expressed support for the CP, in particular its local government capacity development component, and welcomed the shift from service delivery to more capacity development to underpin sustainable hunger solutions. Questions were raised concerning hand-over modalities; and members expressed concern about gender imbalances in school

feeding and the need to spell out expected results and milestones for the market access programme and to increase M&E. Persisting disparities between counties were unfortunate; the Board urged attention to security issues in view of the overspill of violence from Somalia.

98. Responding to the Board, the Country Director explained that much effort had been put into M&E, particularly into assisting the Government in monitoring school feeding, including through an innovative mechanism that allowed parents of schoolchildren to provide feedback. Disparities were inevitable given the disadvantages of the arid regions, but WFP was encouraging the Government to accept that costs per child would vary by geographical location. While the gender imbalance was more pronounced in the arid areas, there were hopes of improvement.
99. The Kenyan Ambassador thanked the Board, noting the alignment of WFP's work to the government programme and outlining her country's new Constitution and its development goals.

### **Budget Increases to Protracted Relief and Recovery Operations — Kenya 200174 (2014/EB.A/18) (for approval)**

100. The Kenya protracted relief and recovery operation (PRRO) was assisting mainly Somali and South Sudanese refugees in two camps, and envisaged the construction of a third. The budget revision would allow for recommendations from a recent evaluation to be considered. A chief innovation of the PRRO was the roll-out of a biometrics system leading to an immediate reduction of 70,000 claimants; a verification exercise reduced numbers by a further 40,000. Vouchers for fresh food were being piloted in Dadaab to increase dietary diversity for pregnant and lactating women.
101. Members were particularly appreciative of the biometrics system, and looked forward to its global implementation. Concerns were raised over the cost of the fresh food vouchers, their integration with the C&V system and whether the C&V system itself should be extended.
102. The Country Director clarified that new camp infrastructure was for food storage and distribution facilities for expected refugee inflows. The United Nations as a whole was to determine the question of whether established and new refugees should receive differentiated assistance. He recommended caution in extending the use of cash in view of the potential risk for misspending.
103. The Regional Director added that the Kenya experience would be used to scale up the use of biometrics. The addition of dietary diversity was especially important for long-term refugees; alternatives were being sought to contain costs.

### **Protracted Relief and Recovery Operations — Burundi 200655 (2014/EB.A/19) (for approval)**

104. The Country Director emphasized that the rates of undernutrition in Burundi exceeded those in any other country in the region. The PRRO was aligned with government strategies, and with the 2012–2016 UNDAF, and complemented the WFP CP and partners' operations. It addressed severe food insecurity among vulnerable groups through in-kind food distributions and C&V-based programmes, with a school-feeding component. Hand-over plans included capacity development and the establishment of community-based early-warning systems and an institutional framework for disaster preparedness.

105. The Board took note of the alarming rates of malnutrition and the needs of the large Congolese refugee population. It recommended that the country office utilize the lessons learned in other C&V programmes to ensure effectiveness. Board members commended the gender perspective of the PRRO, its alignment with government programmes and the partnership with the International Organization for Migration. Some members drew attention to the risks arising from possible new refugee influxes. Synergy with other programmes should be maximized and cash-based modalities utilized to achieve cost savings; the safety net element could be extended to include unconditional cash transfers where necessary.
106. The Country Director was grateful to the Board for its support. The lessons learned from the joint evaluation of the C&V programme in refugee settings conducted with UNHCR would be applied in implementing the cash-based components, and the use of vouchers would be monitored in partnership with other actors to enhance effectiveness; an information and feedback system would be set up. The hand-over would depend on progress in capacity development and the development of M&E systems. Responding to a member query, the Regional Director noted that SuperCereal was appropriate to the needs of the refugees, as in other WFP refugee programmes.

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## ASIA REGIONAL PORTFOLIO

107. The Regional Director for Asia recalled that despite unprecedented economic progress, Asia still faced significant nutrition and food security challenges, vulnerability to natural disasters and the impacts of climate change, and accelerated urbanization. Through technical and policy-oriented support building on the existing national capacities of Asian governments, WFP was enhancing long-term sustainability and catalysing best practices. The strategic pillars of WFP's actions were: scaling up nutrition, strengthening government safety nets, building resilience, mobilizing a better response and implementing cross-cutting urban programmes. WFP was addressing nutrition through use of locally developed specialized nutritious products priced within the reach of the poor. To maximize impact and reach a greater proportion of Asia's population, WFP was working to strengthen and expand existing government safety nets, as in Bangladesh, where the Government had increasingly assumed responsibility for school feeding based on WFP's model, and in India, where WFP's best practices had enhanced the efficiency of the Targeted Public Distribution System.
108. Over the next three years, WFP would help 3 million people increase resilience to natural disasters and combat the impacts of climate change through the comparative advantages of its deep field presence and partnerships, investing in community-level resilience efforts, enhancing flood protection, rehabilitating agricultural land, planting trees and constructing or rehabilitating roads. The WFP regional preparedness strategy for Asia anticipated mega-disasters requiring a Level 3 international response in five countries, and focused on logistics, in-depth assessments and technical capacity development for national and regional actors such as the Association of Southeast Asian Nations. By 2025 urban areas of Asia would house more than 2 billion people, changing the demographics of hunger: migrants to urban areas remained food and nutrition insecure, with cash-dependent livelihoods subject to shocks. WFP was adapting its strategies, tools and operational readiness to this urbanizing profile.
109. The Executive Director paid tribute to Regional Director Mr Kenro Oshidari, who was to retire later in the year after 35 years of service. A video montage was shown celebrating his career.



## Budget Increases to Development Activities – Country Programme Bangladesh 200243 (2014/EB.A/20) (for approval)

110. The Secretariat presented the budget increase, highlighting the high government ownership of all four components. The changes aligned the CP with the WFP Strategic Plan (2014–2017) and promised greater sustainability through government ownership.
111. The Board noted that the goal of supporting government activities assisting the extremely poor represented an important investment in government capacity and sustainable hand-over. It praised the initiative of purchasing vegetables for school meals from local women growers; requested strong monitoring and reporting on lessons learned; and expressed interest in the results of a study regarding cooked meals versus high-energy biscuits. Members requested clarification concerning transport cost increases, and asked what risks WFP anticipated in relation to the new nutrition implementation modality.
112. The Country Director thanked the Board for confirming that WFP was on the right track in supporting the Government. WFP anticipated that aligning the nutrition component with the national nutrition service indeed incurred the risk of reduced effectiveness; in that case, new solutions would be required. Under the nutrition programme the number of beneficiaries would decrease and under school feeding it would remain higher than previously planned. Decrease and increase in tonnage would balance out, but increased transport costs contributed to the overall cost increase.

## WEST AFRICA REGIONAL PORTFOLIO

113. The Regional Director's overview focused on the Central African Republic, where conflict was exacerbated by the emergence of new actors and risks for humanitarian workers were increasing. Areas of the country were in Integrated Food Security Phase Classification Level 4; two-thirds of schools were closed, leaving 80 percent of children out of school. The rains had arrived, but distribution of seeds pre-positioned by FAO and WFP distributions were slowed by insecurity: private transporters had fled, some partners had to withdraw and the United Nations Humanitarian Air Service was temporarily grounded by a disrupted jet-fuel supply. WFP worked with churches and mosques where possible and had reached more areas of the country with more activities, partners and staff than ever before, expanding from four urban areas in December 2013 to 35 sites across the country. Monitoring showed 83 percent of children in malnutrition treatment programmes were in recovery phase. Refugee influxes into neighbouring countries included 100,000 people entering Cameroon. During the week of the Board session, a high-level event with the United Nations High Commissioner for Refugees and the Executive Director had discussed regional implications of the crisis.
114. Other developments of concern included escalation in tensions in northern Mali and the Sahel, with a Board side event held on the Sahel. WFP had C&V programmes in 11 countries and planned to reach 15 by the end of 2014; C&V accounted for 11 percent of regional response. In 2013, WFP purchased USD 55 million worth of food in the region, 20 percent from smallholder farmers' organizations. WFP and the United Nations Children's Fund (UNICEF) were developing a regional nutrition strategy with a focus on prevention. WFP was building its evidence-based approach, with a new M&E strategy and development of the coping strategy index. School feeding was a priority for the region. Progress was being made and it was important to continue investing.
115. The Board commended and thanked WFP staff for their work in the region.

## **Protracted Relief and Recovery Operations – Mauritania 200640 (2014/EB.A/21) (for approval)**

116. The Country Director introduced the PRRO, which targeted a total of 600,000 people over two and a half years. Food and nutrition support would cover immediate needs while activities would also enhance communities' capacity to face shocks and help stabilize vulnerable households. The PRRO was aligned with government priorities, applied an innovative strategy based on strong trend analysis and improved geographical targeting, and involved collaboration with a wide range of partners.
117. The Board welcomed the PRRO, particularly its attention to climate change, food security, capacity development, and cooperation in the field, and its increased use of cash. Members emphasized the need for good monitoring and requested more information on gender aspects, the exit strategy, the targeting and delivery of cash transfers, and activities to address undernutrition among children under 2 years of age.
118. Responding to points raised, the Country Director reported that coordination with the Government, donors and other partners was being improved to reduce duplication of efforts and increase efficient use of resources. In the event of funding shortfalls, areas and activities would be prioritized according to vulnerability mapping and cost considerations. The PRRO was concentrating its assistance for critical periods such as the peak lean season to increase the cost-effectiveness of activities. Efforts to identify new partners would include consideration of smallholders' cooperatives as potential partners.
119. The Regional Director noted that the nutrition strategy being prepared with UNICEF included more on the prevention of malnutrition.

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## **MIDDLE EAST, NORTH AFRICA, EASTERN EUROPE AND CENTRAL ASIA REGIONAL PORTFOLIO**

120. The Regional Director observed that both natural and man-made disasters affected the region, with protracted crises in the Syrian Arab Republic and surrounding countries, the Sudan, Yemen, Iraq and State of Palestine, with escalating tensions in Ukraine and renewed conflict in Libya. WFP had recently been the first United Nations agency to respond to floods affecting 1.5 million Bosnia and Herzegovina and Serbia.
121. In the Syrian Arab Republic, 6.3 million people were in need of food assistance, with drought likely to worsen the situation; restrictions on movements had meant that in May only 3.3 million people could be reached. New displacements in the Sudan had led to food insecurity for 5 million, with refugees also arriving from South Sudan; requirements had increased to USD 403 million. Conditions were dire in Yemen and humanitarian agencies faced severe security threats and major obstacles to access, but the political process was advancing. Conflict in Iraq was spreading and a new emergency operation had been launched.
122. The Cairo regional bureau (OMC) was increasing preparedness capacities, and had made contact with the United Nations country teams in Ukraine and Libya. It was building resilience through community-based strategies, was providing technical assistance and capacity development for government social protection systems, was expanding school feeding and scaling up C&V, notably for Syrian refugees, Darfur camps for internally displaced persons and in State of Palestine.

123. With a budget requirement of USD 1.5 billion, OMC had a shortfall of 65 percent, in spite of donor generosity, and was forced to rotate assistance among groups of beneficiaries, reduce rations and assist fewer people.
124. The Regional Director thanked donors and encouraged them to provide additional support for operations in the region.

### **Development Projects – Kyrgyz Republic 200662 (2014/EB.A/22)** *(for approval)*

125. The Country Director introduced the development project (DEV), which provided capacity development and support to Government for productive safety nets and longer-term resilience, building on lessons learned from the country portfolio evaluation and the PRRO.
126. The Board expressed satisfaction at cooperation with the Kyrgyz Government, welcomed synergies with partners and praised attention given to government capacity development and M&E. Members suggested continued support to small farmers and to gender empowerment and equality of rural women. They urged WFP to build on the expert knowledge and best practices developed through previous activities and to coordinate with DEV 200176, supported by the Russian Government, to ensure that work under both projects was harmonized and school feeding integrated into the social-protection system.
127. Cash and asset-building aspects were welcomed, but members called attention to issues of sustainability for asset-building, beneficiary preferences and misspending of cash. The country office was urged to work closely with FAO and the International Fund for Agricultural Development, especially on capacity development.
128. The Country Director emphasized collaboration underway with various agencies and assured the Board that school feeding was well integrated within government safety nets. WFP was advocating with Government on integration of gender issues in policies and programmes. The regional bureau was supporting establishment of monitoring baselines for the project. Sustainability of assets and the use of cash would be monitored.
129. The draft decision was amended to call attention to the Board discussion.
130. The Minister of Social Development from the Kyrgyz Republic welcomed the DEV and thanked WFP and donors for their support.

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## **SOUTHERN AFRICA REGIONAL PORTFOLIO**

131. Having recently moved from South Sudan – a new nation torn apart by conflict – the new Regional Director noted the contrast with southern Africa, where most countries were experiencing economic growth and stability: half were MICs, and cereal production in 2014 was likely to be higher than in recent years. However, persisting challenges included stunting, which affected 12 million children; high prevalence of AIDS, with seven of the ten highest national prevalences in the world; food insecurity resulting from climate and other shocks; and high income disparity in MICs.
132. Funding challenges called for a focus on the most needy and strong partnerships with United Nations agencies, regional entities and NGOs. The regional bureau, working in partnership with other United Nations agencies and NGOs, was spearheading the development of a framework for building resilience in southern Africa, focussing on empowering the most vulnerable communities. WFP was putting emphasis on working with smallholders – many of whom were women – and making better use of new technology. A large-scale pilot of nutrition activities was underway in Malawi that targeted children under



5 years of age and their mothers, aiming to reduce stunting by 10 percent; voucher distributions in other programmes were designed to ensure that people consumed a wider range of foods. New roles were being identified for WFP for providing technical expertise to government-run safety net programmes, rather than directly managing programmes.

133. The region's greatest crisis was in the Democratic Republic of the Congo, where 6.7 million people faced food insecurity, nearly half of children under 5 were malnourished, and the presence of 3 million displaced persons and refugees from the Central African Republic challenged the humanitarian response, exacerbating gender and protection needs.
134. The Board applauded WFP's work in the region and thanked both the outgoing and new Regional Directors for their commitment. Members welcomed the forward-looking perspective of the presentation.

**ANNEX I**

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**DECISIONS AND RECOMMENDATIONS****Adoption of the Agenda**

The Board adopted the Agenda.

*3 June 2014*

**Election for a Vacant Position in the Bureau and Appointment of the Rapporteur**

The Board elected H.E. Saywan Barzani (Iraq) as List B Alternate to the Bureau. In accordance with Rule XII of its Rules of Procedure, the Board appointed Mr Andreas Schiess (Switzerland, List D) Rapporteur of the Annual Session of 2014.

*3 June 2014*

The decisions and recommendations in the current report will be implemented by the Secretariat in the light of the Board's deliberations, from which the main comments will be reflected in the summary of the work of the session.

**CURRENT AND FUTURE STRATEGIC ISSUES****2014/EB.A/1 Opening Remarks by the Executive Director**

The Board took note of the presentation by the Executive Director. The main points of the presentation and the Board's comments would be contained in the summary of the work of the session.

*3 June 2014*

**ANNUAL REPORTS****2014/EB.A/2 Annual Performance Report for 2013**

The Board approved the Annual Performance Report for 2013 (WFP/EB.A/2014/4\*), noting that it provided a comprehensive record of WFP's performance for the year.

*3 June 2014*

**POLICY ISSUES****2014/EB.A/3 Update on WFP's Role in the Humanitarian Assistance System**

The Board took note of "Update on WFP's Role in the Humanitarian Assistance System" (WFP/EB.A/2014/5-A).

*3 June 2014*

**2014/EB.A/4 WFP Corporate Partnership Strategy (2014–2017)**

The Board took note of “WFP Corporate Partnership Strategy (2014–2017)” (WFP/EB.A/2014/5-B).

*3 June 2014*

**RESOURCE, FINANCIAL AND BUDGETARY MATTERS****2014/EB.A/5 Audited Annual Accounts, 2013**

The Board:

- i) approved the 2013 Annual Financial Statements of WFP, together with the Report of the External Auditor, pursuant to General Regulation XIV.6 (b);
- ii) noted the funding from the General Fund of USD 3,238 during 2013 for the write-off of cash losses and receivables; and
- iii) noted post-delivery losses of commodities during 2013 forming part of the operating expenses for the same period.

The Board also took note of the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the Food and Agriculture Organization of the United Nations (FAO) Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**2014/EB.A/6 Appointment of Two Members to the Audit Committee**

The Board approved the renewal of the terms of two Audit Committee members as follows:

- Ms Irena Petruškevičienė (Lithuania) from 30 July 2014 to 29 July 2017; and
- Mr James A. Rose III (United States of America) from 30 July 2014 to 29 July 2017.

It also approved the timeframe for selection of future members outlined in paragraphs 7 and 8 in the document (WFP/EB.A/2014/6-B/1).

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**2014/EB.A/7 Appointment of Two Executive Board Members to the Selection Panel for the Appointment of Three Audit Committee Members**

The Board approved the following appointments to the selection panel of Audit Committee members in relation to the selection of three Audit Committee members:

- Dr Kayoya Masuhwa, Alternate Permanent Representative of Zambia, as representative of the Executive Board; and
- Mr Otmar Greiff, Alternate Permanent Representative of Germany, as representative of the Executive Board.

It requested the selection panel to report its recommendations to the Executive Director and the President of the Board.

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**2014/EB.A/8 Financial Framework Review**

The Board took note of “Financial Framework Review” (WFP/EB.A/2014/6-D/1) building upon the findings of the external review of WFP’s Working Capital Financing Facility and the consultative process on the way forward with the Secretariat. The Board:

- i) welcomed the comprehensive approach to the financial framework review;
- ii) approved the separation of the Forward Purchase Facility and corporate services advances from the Working Capital Financing Facility;
- iii) approved the establishment of a reserve for the Global Commodity Management Facility and the transfer of USD 6 million from the operational reserve to the newly established Global Commodity Management Facility Reserve;
- iv) approved the ceiling of USD 570 million for the Working Capital Financing Facility to be used for internal lending for project operations;
- v) approved a ceiling of USD 350 million for the Global Commodity Management Facility;
- vi) approved a ceiling of USD 70 million for corporate services advances for 2014 and looks forward to reviewing this regularly as part of future Management Plans;
- vii) took note of the intent to use the Programme Support and Administrative Equalization Account as a reserve of last resort for corporate services advances; and
- viii) looked forward to further discussions on the Financial Framework Review as outlined in the document.

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**2014/EB.A/9 Annual Report of the Audit Committee**

The Board took note of “Annual Report of the Audit Committee” (WFP/EB.A/2014/6-E/1).

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*5 June 2014*

**2014/EB.A/10 Annual Report of the WFP Inspector General and Note by the Executive Director**

The Board took note of “Annual Report of the Inspector General” (WFP/EB.A/2014/6-F/1) and noted that the oversight work performed and reported did not disclose any significant weaknesses in the internal control, governance or risk management processes in place across WFP that would have a pervasive effect on the achievement of WFP’s objectives.

The Board encouraged management to take advantage of the opportunities for further improvement highlighted in the report.

The Board took note of “Note by the Executive Director on the Annual Report of the WFP Inspector General” (WFP/EB.A/2014/6-F/1/Add.1).

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**2014/EB.A/11 Report of the External Auditor on Food Procurement in WFP and WFP Management Response**

The Board took note of “Report of the External Auditor on Food Procurement in WFP” (WFP/EB.A/2014/6-G/1), and encouraged further action on the recommendations, taking into account considerations raised by the Board during its discussion.

The Board took note of “WFP Management Response to the Recommendations of the Report of the External Auditor on Food Procurement in WFP” (WFP/EB.A/2014/6-G/1/Add.1 + Corr.1).

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**2014/EB.A/12 Report of the External Auditor on United Nations Humanitarian Response Depot and WFP Management Response**

The Board took note of “Report of the External Auditor on United Nations Humanitarian Response Depot” (WFP/EB.A/2014/6-H/1), and encouraged further action on the recommendations, taking into account considerations raised by the Board during its discussion.

The Board took note of “WFP Management Response to the Recommendations of the Report of the External Auditor on United Nations Humanitarian Response Depot” (WFP/EB.A/2014/6-H/1/Add.1).

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**2014/EB.A/13 Report on the Implementation of the External Auditor Recommendations**

The Board took note of “Report on the Implementation of the External Auditor Recommendations” (WFP/EB.A/2014/6-I/1).

The Board also took note of the comments of the ACABQ (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/2) and the FAO Finance Committee (WFP/EB.A/2014/6(A,B,C,D,E,F,G,H,I,J,K)/3).

*4 June 2014*

**EVALUATION REPORTS**

**2014/EB.A/14 Annual Evaluation Report, 2013 and Management Response**

The Board took note of “Annual Evaluation Report, 2013” (WFP/EB.A/2014/7-A) and the management response in WFP/EB.A/2014/7-A/Add.1, and encouraged further action on the recommendations, taking into account considerations raised by the Board during its discussion.

*5 June 2014*

**2014/EB.A/15 Synthesis Report of the Evaluation Series on the Impact of Food for Assets (2002–2011) and Management Response**

The Board took note of “Synthesis Report of the Evaluation Series on the Impact of Food for Assets (2002–2011)” (WFP/EB.A/2014/7-B\*) and the management response in WFP/EB.A/2014/7-B/Add.1\*, and encouraged further action on the recommendations, taking into account considerations raised by the Board during its discussion.

*5 June 2014*

## LATIN AMERICA AND THE CARIBBEAN REGIONAL PORTFOLIO

### 2014/EB.A/16 Summary Evaluation Report — Central America Regional Portfolio (2007–2011) and Management Response

The Board took note of “Summary Evaluation Report – Central America Regional Portfolio (2007–2011)” (WFP/EB.A/2014/7-C) and the management response in WFP/EB.A/2014/7-C/Add.1, and encouraged further action on the recommendations, taking into account considerations raised by the Board during its discussion.

*5 June 2014*

## EAST AND CENTRAL AFRICA PORTFOLIO

### 2014/EB.A/17 Country Programmes — Kenya 200680 (2014–2018)

After due consideration the Board approved, on an extraordinary basis, the proposed country programme Kenya 200680 (2014–2018) (WFP/EB.A/2014/8), for which the food requirement is 90,943 mt at a cost of USD 46.9 million and the cash transfer requirement is USD 6.8 million; the total cost to WFP is USD 129.1 million.

*5 June 2014*

### 2014/EB.A/18 Budget Increases to Protracted Relief and Recovery Operations — Kenya 200174

The Board approved the proposed budget increase of USD 64.6 million for protracted relief and recovery operation Kenya 200174 “Food Assistance for Refugees” (WFP/EB.A/2014/9-D\*) with a six-month extension from 1 October 2014 to 31 March 2015.

*5 June 2014*

### 2014/EB.A/19 Protracted Relief and Recovery Operations — Burundi 200655

The Board approved the proposed protracted relief and recovery operation Burundi 200655 “Assistance for Refugees and Vulnerable Food-Insecure Populations” (WFP/EB.A/2014/9-C/1\*).

*5 June 2014*

## ASIA REGIONAL PORTFOLIO

### 2014/EB.A/20 Budget Increases to Development Activities — Country Programme Bangladesh 200243

The Board approved the proposed budget increase of USD 12.2 million for Bangladesh country programme 200243 (WFP/EB.A/2014/9-B).

*5 June 2014*

**WEST AFRICA REGIONAL PORTFOLIO****2014/EB.A/21 Protracted Relief and Recovery Operations — Mauritania 200640**

The Board approved the proposed protracted relief and recovery operation Mauritania 200640 “Protecting Livelihoods, Reducing Undernutrition and Building Resilience” (WFP/EB.A/2014/9-C/2\*).

*6 June 2014*

**MIDDLE EAST, NORTH AFRICA, EASTERN EUROPE AND CENTRAL ASIA REGIONAL PORTFOLIO****2014/EB.A/22 Development Projects — Kyrgyz Republic 200662**

The Board approved the proposed development project Kyrgyz Republic 200662 “Support for National Productive Safety Nets and Long-Term Community Resilience” (WFP/EB.A/2014/9-A), subject to the availability of resources, taking into account considerations raised by the Board during its discussion.

*6 June 2014*

**SUMMARY OF THE WORK OF THE EXECUTIVE BOARD****2014/EB.A/23 Summary of the Work of the First Regular Session of the Executive Board, 2014**

The Board approved the document “Draft Summary of the Work of the First Regular Session of the Executive Board, 2014”, the final version of which would be embodied in the document WFP/EB.1/2014/13.

*6 June 2014*



## ANNEX II

### AGENDA

1. ***Adoption of the Agenda (for approval)***
2. ***Election for a Vacant Position in the Bureau and Appointment of the Rapporteur***
3. ***Opening Remarks by the Executive Director***
4. ***Annual Reports***
  - Annual Performance Report for 2013 *(for approval)*
5. ***Policy Issues***
  - a) Update on WFP's Role in the Humanitarian Assistance System *(for consideration)*
  - b) WFP Corporate Partnership Strategy (2014–2017) *(for consideration)*
  - c) WFP People Strategy — WITHDRAWN
  - d) Update on WFP's Response to HIV and AIDS *(for information)*
  - e) Update on the Implementation of the WFP Gender Mainstreaming Accountability Framework *(for information)*
  - f) Update on the Implementation of the Protection Policy *(for information)*
6. ***Resource, Financial and Budgetary Matters***
  - a) Audited Annual Accounts, 2013 *(for approval)*
  - b) Appointment of Two Members to the Audit Committee *(for approval)*
  - c) Appointment of Two Executive Board Members to the Selection Panel for the Appointment of Three Members of the Audit Committee *(for approval)*
  - d) Financial Framework Review *(for approval)*
  - e) Annual Report of the Audit Committee *(for consideration)*
  - f) Annual Report of the WFP Inspector General *(for consideration)* and Note by the Executive Director *(for consideration)*
  - g) Report of the External Auditor on Food Procurement in WFP and WFP Management Response *(for consideration)*
  - h) Report of the External Auditor on United Nations Humanitarian Response Depot and WFP Management Response *(for consideration)*
  - i) Report on the Implementation of the External Auditor Recommendations *(for consideration)*
  - j) Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rules XII.4 and XIII.4 (h)) *(for information)*
  - k) Report on the Utilization of WFP's Advance Financing Mechanisms (1 January–31 December 2013) *(for information)*
7. ***Evaluation Reports***
  - a) Annual Evaluation Report, 2013 and Management Response *(for consideration)*

- b) Synthesis Report of the Evaluation Series on the Impact of Food for Assets (2002–2011) and Management Response (*for consideration*)
- c) Summary Evaluation Report — Central America Regional Portfolio (2007–2011) and Management Response (*for consideration*)
- d) Summary Report of the Peer Review of the Evaluation Function at the World Food Programme (*for information*)
- e) Implementation Status of Evaluation Recommendations (*for information*)

## **OPERATIONAL MATTERS**

8. ***Country Programmes (for approval)***
  - Kenya 200680 (2014–2018)
9. ***Projects for Executive Board Approval (for approval)***
  - a) Development projects
    - Kyrgyz Republic 200662
  - b) Budget increases to development activities
    - Bangladesh 200243
  - c) Protracted relief and recovery operations
    - Burundi 200655
    - Mauritania 200640
  - d) Budget increases to PRROs
    - Kenya (refugees) 200174
10. ***Organizational and Procedural Matters***
  - Biennial Programme of Work of the Executive Board (2014–2015) (*for information*)
11. ***Administrative and Managerial Matters***
  - a) Address by Staff Representative Bodies to the Board
  - b) Report on Post-Delivery Losses for the Period 1 January–31 December 2013 (*for information*)
  - c) Update on WFP Food Procurement (*for information*)
  - d) Statistical Report on WFP International Professional Staff and Higher Categories (*for information*)
  - e) WFP Security Report (*for information*)
12. ***Summary of the Work of the First Regular Session of the Executive Board, 2014 (for approval)***
13. ***Other Business***
  - Report on the Joint Field Visit of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP to Panama and El Salvador (*for information*)
14. ***Verification of Adopted Decisions and Recommendations***

## ACRONYMS USED IN THE DOCUMENT

AC	Audit Committee
ACABQ	Advisory Committee on Administrative and Budgetary Questions
APR	Annual Performance Report
BCG	The Boston Consulting Group
C&V	cash and vouchers
CP	country programme
ECHO	Directorate General for Humanitarian Aid and Civil Protection
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FPF	Forward Purchase Facility
GMAF	Gender Mainstreaming Accountability Framework
IFPRI	International Food Policy Research Institute
IG	Inspector General
IT	information technology
M&E	monitoring and evaluation
MERET	Managing Environmental Resources to Enable Transition to More Sustainable Livelihoods
MIC	middle-income country
NGO	non-governmental organization
OEV	Office of Evaluation
P4P	Purchase for Progress
PREP	Preparedness and Response Enhancement Programme
PRRO	protracted relief and recovery operation
RBAs	Rome-based agencies
TA	Transformative Agenda
UN SWAP	United Nations System-Wide Action Plan on Gender Equality and the Empowerment of Women
UNHRD	United Nations Humanitarian Response Depot
UNICEF	United Nations Children's Fund