

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Second Regular Session**

Rome, 22–26 October 2007

POLICY ISSUES

Agenda item 4

For consideration



Distribution: GENERAL
WFP/EB.2/2007/4-A
12 October 2007
ORIGINAL: ENGLISH

WFP STRATEGIC PLAN CONCEPT NOTE



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

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

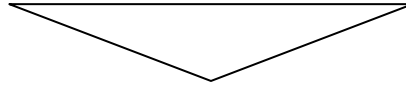
Director, PDP*: Mr S. Samkange tel.: 066513-2767

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Policy, Strategy and Programme Support Division



DRAFT DECISION*



The Board takes note of the WFP Strategic Plan Concept Note as well as its annexes (WFP/EB.2/2007/4-A) and encourages further work towards the formulation of the WFP Strategic Plan (2008-2011), in consultation with the Executive Board, and taking into account the issues raised by the Board during its discussion.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (WFP/EB.2/2007/15) issued at the end of the session.



I. OVERVIEW

1. *Background.* The presentation of the Strategic Plan Concept Note is an important step in WFP's strategic planning process. The paper aims to facilitate consideration of the core issues and the key choices, and it outlines a possible framework for the Strategic Plan 2008-2011 – while also keeping as a reference point the broader 2015 targets of the Millennium Development Goals.
2. The Concept Note is presented in broad outline form, and takes into account and builds on two “informal consultations” with the WFP membership. Attached as an annex are revised versions of the background paper on “*The External Environment*” that was discussed at the 28 August meeting, and the paper on “*WFP Tools and Approaches*” that was discussed on 5 October. The revised drafts of the background papers incorporate suggestions and comments received from the membership during those consultations.
3. The Concept Note begins by drawing attention to the changing context in which WFP is now working, and then seeks to better define WFP's role in that changing environment. Based on the role envisaged for WFP during the four year period of the Strategic Plan (2008–2011), a set of criteria is suggested to first identify and then prioritize WFP's strategic areas of focus. The note emphasizes the importance of situating WFP efforts within the framework of country needs and national strategies, which must be the starting point, while also taking into account regional dimensions. The note highlights some of the different tools WFP has at its disposal, while underscoring the need for WFP to have and utilize the best and most effective tools available. The note concludes by drawing attention to the importance of partnerships at all levels.
4. *Next steps.* A first draft of the Strategic Plan 2008-2011 will be circulated to WFP's membership before the end of January 2008. Prior to that, two further informal consultations with the WFP membership will be held (in November/December and in January) to discuss key components of the plan – including the analysis of strengths and weaknesses; an analysis of WFP's comparative advantages; the strategic objectives of the organization; and the revised management objectives of the organization. A high level Hunger Seminar of “New Solutions to Hunger” will also be convened (probably in December or January).
5. In addition to the discussions involving WFP's membership, strategic discussions at senior level will also be convened with WFP's main United Nations System partners – including FAO, IFAD, OCHA, UNAIDS, UNDP, UNHCR, UNICEF, WHO and the World Bank. High level strategic discussions are also being organized with partners from the non-governmental organization (NGO) sector.

II. THE CHANGING CONTEXT

6. *The external environment.* The external environment is changing and WFP needs to continue adapting to those changes.
7. *Lessons learned.* Based on its years of experience and analysis, WFP has learned many lessons about how to address hunger problems and these lessons need to continue to be mainstreamed into WFP's strategy, policies and planning.



III. WFP'S ROLE IN A CHANGING ENVIRONMENT

8. *WFP's role.* WFP's role is to help countries fill gaps in their hunger response and prevention¹ capacities – in situations of acute hunger, as well as in other hunger related situations.
9. *Within the United Nations System.* WFP also has cluster lead responsibility within the United Nations for logistics in the context of humanitarian response efforts, and co-leadership in emergency telecommunications.

IV. PRIORITIZING WFP'S EFFORTS

10. *A threshold set of conditions* that are necessary for WFP to intervene:
 - Is there a need that WFP is best positioned to address?
 - Does the country want WFP to intervene?
 - Are WFP donors, including resources mobilized through country led response frameworks and other frameworks, willing to support the intervention?
11. *Criteria to prioritize among eligible interventions*, given that available resources may be limited, and provided that the threshold conditions are met:
 - The potential consequences of not providing assistance;
 - The potential impact of WFP's intervention;
 - WFP's comparative advantage in implementing the required interventions;
 - The effectiveness of WFP's interventions in achieving its objectives.
12. Areas of strategic focus, in order of priority:
 - i. Fill gaps in the capacity of countries to respond to situations of acute hunger;
 - ii. Strengthen the capacity of countries to prevent situations of acute hunger;
 - iii. Strengthen the capacity of countries to prevent the cycle of hunger from perpetuating itself;
 - iv. Fill gaps in the capacity of countries to alleviate hunger.

V. COUNTRY CONTEXT AS A STARTING POINT

13. *Country needs and national strategies.* Based on overall United Nations approaches, country needs and national strategies are the starting point for assessing what role WFP might play in a particular country context. The same *threshold conditions* and *criteria to prioritize* used to determine where WFP should intervene, also apply to the prioritization of WFP's activities within countries.

¹ Definition: As used in this paper, prevention is the category of interventions that have the potential to avert, impede or reduce the likelihood or impact of a phenomenon before it occurs. Prevention is taken to include pre-crisis mitigation efforts.



14. In non-acute situations in particular, WFP food assistance interventions need to be part of a broader national strategy and policy framework. The national policy framework should be the starting point for resource mobilization efforts, with the government itself in the lead – supported by WFP.
15. The country needs identified may be operational or programmatic; they may be structural and cross-cutting or limited to particular sectors; they may be recurring and triggered by cyclical shocks or arise in only the most exceptional circumstances; they may involve sustained engagement or be over in a matter of days or months.
16. *The regional dimension.* Regional institutions, frameworks and strategies also have an important – and sometimes critical – role to play, as part of the context for WFP interventions.

VI. DRAWING ON WFP'S TOOLBOX

17. *A versatile, innovative, and adaptive toolbox.* Because WFP needs to tailor its interventions to country-specific problems, it needs to build a toolbox that is versatile enough to be applied appropriately to different country contexts, innovative enough to incorporate the best and most effective solutions, and adaptive enough to respond to new challenges and threats.
18. *Evaluation and lessons learned.* WFP's toolbox needs to be continually refined and examined by a system of evaluation and lessons learned.

VII. PARTNERSHIPS

19. *Partnerships are essential.* Partnerships are critical for WFP to accomplish its work. In fact, be it in precursor efforts, emergency operations or during the transition to sustainable solutions to hunger, success depends not only on WFP's own capacity and capabilities, but also on the extent to which WFP manages to be a partner for others – be they national governments, other United Nations agencies or international or national non-governmental organizations (NGOs). WFP's contribution is an important building stone, but needs also to be integrated into broader efforts involving other actors. Bringing in partners early can help ensure a smoother transition and timely exit for WFP with a better chance of making the achievements of the intervention last.
20. *Impact and sustainability.* Ensuring that WFP activities are integrated into the work of governments, local communities and partners will enhance impact and promote sustainability.



ANNEX I**WFP STRATEGIC PLAN (2008-2011):
BACKGROUND NOTE****THE EXTERNAL ENVIRONMENT****PREFACE**

1. Over the past decade, the external environment in which WFP operates has changed significantly. There have been important shifts in the food aid and funding environments, as well as increasing concerns about the upward trend in the number of natural disasters, the rising prices for agricultural commodities and deepening economic inequalities. These changes have accelerated in recent years. Looking towards the future, these and other issues – including climate change, population growth, rising security threats and new technologies – will contribute to making WFP's external environment increasingly challenging.
2. Understanding the implications for WFP of changes and developments in the external environment is critical to our strategic planning process. Understanding and – where possible – anticipating these trends will be critical for the organization and especially for those people whom we serve. Many of these developments have the capacity to dramatically change the environment in which WFP works – sometimes for the better, and sometimes for the worse. Some will require that WFP rethink and perhaps reshape its toolbox of responses. Others may prompt the international community to rethink and perhaps retool its range and methods of responding – including the need to better tackle a number of clear and persistent gaps in the humanitarian and development architecture.

CURRENT FOOD AID TRENDS***Food Aid Volumes***

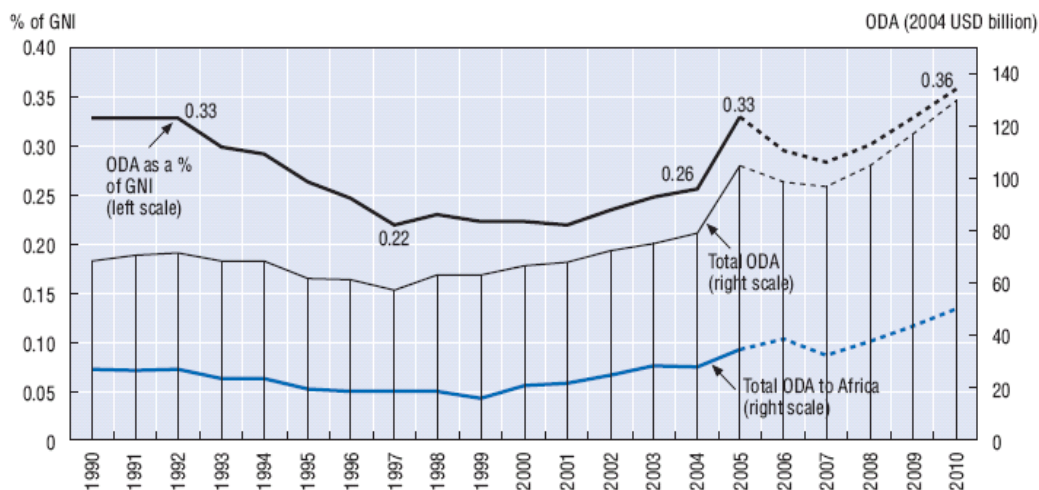
3. Between 2000 and 2006, global food aid deliveries fell by 41 percent (figures from the International Food Aid Information System [INTERFAIS]). Several factors have contributed to this trend. First, many donors have reduced the amount of aid available for that purpose. Food aid accounted only for 1.4 percent of Official Development Assistance (ODA) in 2005, down from 4.3 percent in 2003 (figures from the Organisation for Economic Co-operation and Development [OECD]). Second, the decrease in minimum requirements set



by the Food Aid Convention has made it difficult to sustain high levels of international food aid. More recently, the decline in food aid volumes has been partly a result of higher prices of agricultural commodities. Food aid shipments are influenced by both crude oil prices and grains prices: if donors' food aid budgets are fixed in value terms (and all things being equal), higher energy and food prices mean lower food aid quantities, from both in-kind and cash contributions. The joint Food and Agriculture Organization of the United Nations (FAO)/OECD *Agricultural Outlook 2007-2016*, among others, suggests sustained, high agricultural commodities prices over the medium term.

4. The decline in food aid volumes comes at a time when global ODA has slightly decreased in 2006, and is expected to further decrease in 2007, as exceptional debt relief declines. On the other hand, ODA aimed at emergency and distress situations grew by 23 percent annually, during the time period between 2000 and 2005.

OECD Development Assistance Committee members' net ODA 1990-2005 and DAC Secretariat simulations of net ODA to 2006 and 2010



Source: 2006 Development Co-operation Report. OECD, 2007.

Composition

5. Another key factor in the food aid environment has been the shift from in-kind to cash donations by some donors. As a result, WFP is often one of the largest purchasers – and sometimes the single largest purchaser – of surplus grain in many developing countries. The continued willingness of (developed and developing) countries to provide in-kind food aid to WFP and others, particularly in non-emergency situations, is subject to changing political and economic factors.



The “Berlin Consensus”

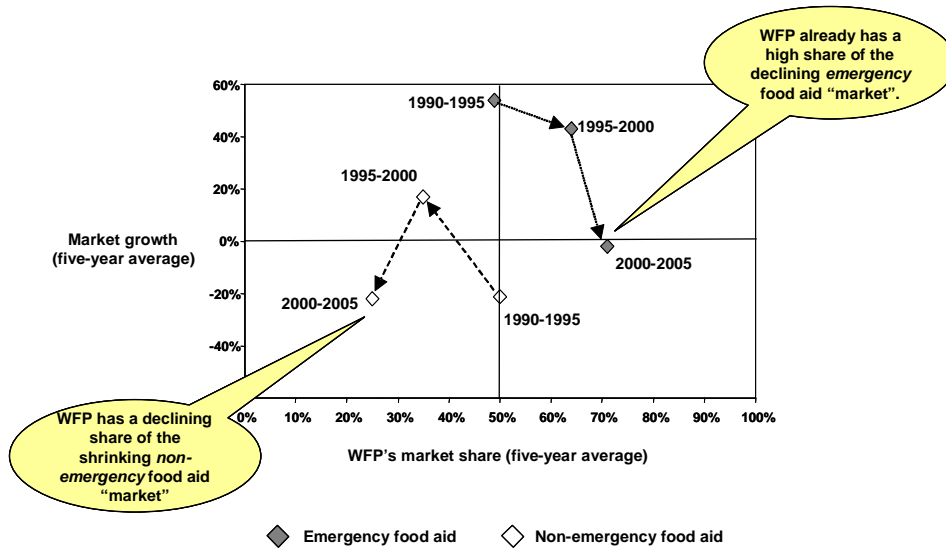
6. In early May 2007, a Conference was held in Berlin against the backdrop of a possible new Food Aid Convention. What emerged is now referred to as the “Berlin Consensus” – common thoughts from 100 participants from national governments, the European Community, United Nations agencies and the non-governmental organization (NGO) community. Among the main conclusions were an understanding that we live in a post-surplus-disposal world; that we need to maintain a sustained global level of food aid; that food aid cannot resolve every food security or development challenge; that the conversation needs to shift from food aid, which is often narrowly associated with commodities, to food assistance, including in-kind food aid, cash to facilitate food transfers, and micronutrients; that food assistance should focus on the causes of hunger; that the current assessment tools as well as local emergency preparedness and response capacities should be enhanced; and that linking relief, recovery, rehabilitation and development activities is a critical element of the broader humanitarian assistance reform.

Funding Evolutions

7. The number of food aid donors has increased steadily. In 2006, WFP has received (food aid and non-food aid) contributions from 97 different donors (counting the private sector as one donor), up from 68 in 2000. It must also be noted that the share of WFP’s top three donors in WFP’s total resources was 57 percent in 2006, down from 69 percent in 2000.
8. Despite the strong increase in the number of donors to WFP, the white squares in the chart below show that non-emergency food aid deliveries experienced negative growth in 2000-2005. At the same time, WFP’s market share of non-emergency food aid deliveries declined from approximately 50 percent to less than 25 percent. In other words, WFP is losing ground in the shrinking non-emergency food aid “market”.
9. The same chart’s shaded squares indicate that the amount of emergency food aid has stagnated or even declined in 2000-2005, and that WFP already has a high share (around 70 percent) of this “market”.



“Market” evolutions in emergency and non-emergency food aid



Source: World Food Programme, 2006.

10. Nevertheless, new sources of funding for WFP's activities have recently emerged. Multilateral pool funds, for example, are a rapidly growing financing mechanism. WFP has already benefited from the Central Emergency Response Fund (CERF), country level common humanitarian funds, and multi-donor trust funds (MDTF) managed by the World Bank and the United Nations. These new sources of funding are likely to continue to be a significant component of WFP's income in the years ahead.
11. Other funding opportunities include resources stemming from debt relief programmes (such as the Heavily Indebted Poor Countries [HIPC] initiative), poverty reduction strategy processes, charitable organizations and the private sector. However, WFP has yet to benefit significantly from these opportunities. In 2006, WFP received around US\$55 million from the private sector, which amounts to 2 percent of its total funding.

Private Philanthropy

12. Relative to nations, wealthy philanthropists are playing an increasingly important role in humanitarian aid, and have paved the way for other, less wealthy people to contribute to private sector humanitarian foundations. Furthermore, private charity is incorporating private sector efficiency and innovation into its operative techniques, positioning it as a viable complement to public institutions in the aid business.

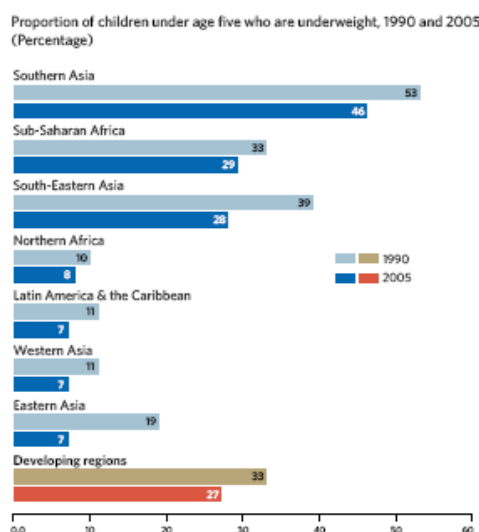
Governance

13. In the absence of conclusive results from the World Trade Organization (WTO), attention has turned to the Food Aid Convention (FAC), another institutional pillar of the food aid governance system. Various actors – including NGOs and governments – have pushed for changes in the character of the FAC, with significant potential consequences for WFP. Nevertheless, it is still too early to formulate what these consequences will be. In December 2006 the Food Aid Committee of the FAC decided to extend the existing Convention by at least one year (to 30 June 2008).

CURRENT HUNGER AND HUMAN DEVELOPMENT TRENDS

Worrying Trends Regarding Global Hunger

14. Current assessments indicate that global progress towards the Millennium Development Goal (MDG) 1 - target 2 is positive but not enough. With regard to the prevalence of underweight among under-five children, developing countries have made progress all over the world. The prevalence of underweight in the developing world has declined from 33 percent to 27 percent between 1990 and 2005 (see chart below).
15. The greatest progress has been made in East Asia, mainly due to China's performance. However, there are still 147 million underweight children worldwide. In particular, high prevalence is still registered in Southern Asia and sub-Saharan Africa. In order to reach the target, the current global progress has to be accelerated: if current trends persist, the world will miss the target by 30 million children.

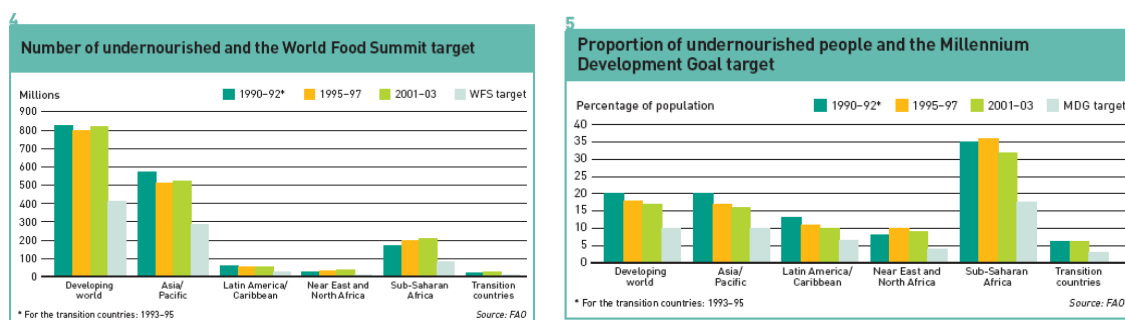


Source: *The Millennium Development Goals Report*. United Nations, 2007.

16. With regard to under-nourishment, FAO points out that while the proportion of undernourished people has declined (see right chart below), the actual number has remained almost the same or increased in some cases (see left chart below).

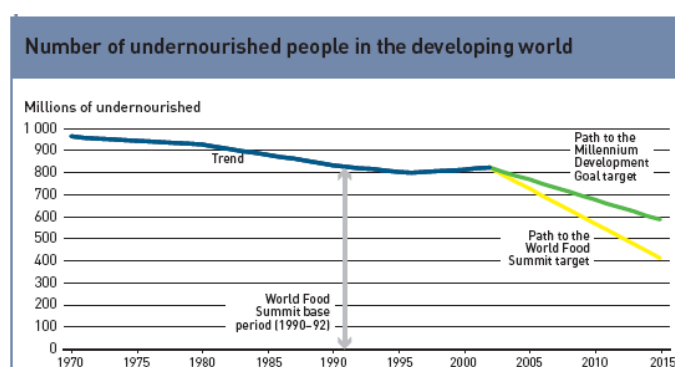


17. Throughout the world there are still 854 million undernourished people – 820 million in developing countries, 25 million in countries in transition and 9 million in industrialized countries. More than half of all undernourished are in Asia and the Pacific, while the highest undernourishment prevalence is found in sub-Saharan Africa. According to the latest FAO data, the proportion of undernourished people decreased from 20 percent in 1990-92 to 17 percent in 2001-2003. Nonetheless, this reduction is much smaller than those registered in the previous decades (9 percentage points in the 1970s and 8 percentage points in the 1980s).



Source: *The State of Food Insecurity in the World*. FAO, 2006.

18. If the current trends persist, both the target of halving the prevalence of undernourishment (MDG1 – target 2 indicator) and of halving the number of undernourished people (World Food Summit) will not be met in many parts of the world (see chart below).



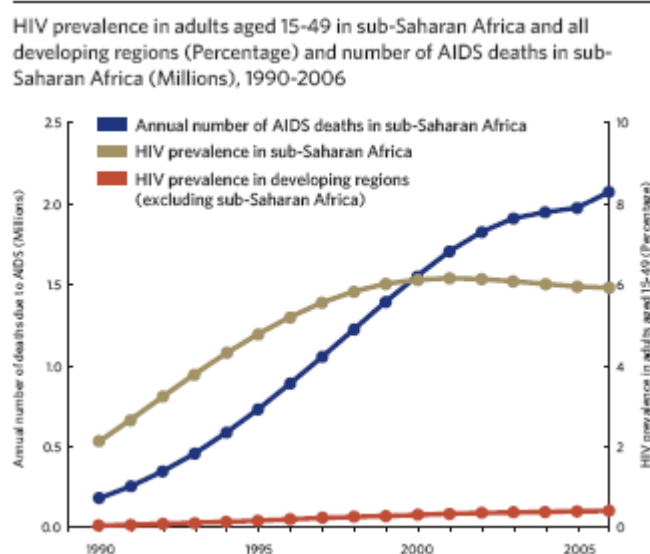
Source: *The State of Food Insecurity in the World*. FAO, 2006.

19. The differences between regions with regard to the hunger indicators of the Millennium Development Goals go beyond figures, however. Hunger in Africa and in Latin America, for instance, takes place in very different contexts, so that any attempt to generalize the nature of the problem is likely to lead to misguided, “one-size-fits-all” policies. Differentiated situations call for differentiated response strategies.



Increasing Health Threats

20. The high levels of prevalence of, and death rates associated with HIV/AIDS, tuberculosis and malaria are still a prominent concern. Furthermore, the human toll of a future major communicable disease outbreak (such as a human strain of the avian flu) may be enormous. Unless further steps are taken to prepare for and fight epidemics and pandemics, they will likely continue to disrupt and even erase years of hunger reduction. In particular, the spread of HIV/AIDS in Africa undermines agricultural production, while at the same time hurting the region's economic prospects in the short as well as in the long run.



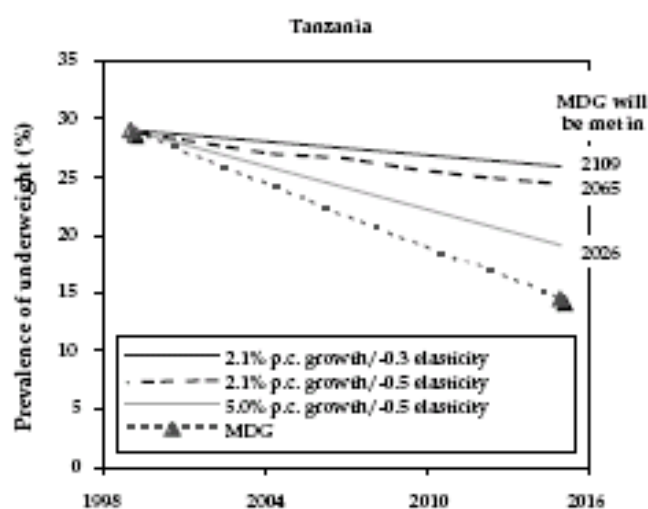
Source: *The Millennium Development Goals Report*. United Nations, 2007.

Unequal Economic Growth

21. High rates of growth in recent years have meant that some countries are now able to cope with many issues that required the help of WFP in the past.
22. The global economy grew by 5.4 percent in 2006, and this positive trend is expected to continue over the next couple of years (figures and forecasts from the International Monetary Fund [IMF]). Emerging and developing economies overall grew by 7.9 percent. Within this group, Africa's economy experienced a slower economic expansion (5.5 percent for the whole continent; 5.7 percent in

sub-Saharan Africa), which was further compromised by the rapid demographic growth in the region. As the *Millennium Development Goals Report 2007* puts it: “the benefits of economic growth in the developing world have been unequally shared both within and among countries.”

23. The impact of past economic growth on hunger has been modest. Evidence-based research suggests that economic growth cannot achieve hunger eradication by itself within a reasonable timeframe. According to the World Bank, countries with a sustained income per capita growth of 2 percent per year would take 70 years on average to halve underweight prevalence (see the example of Tanzania below).



Source: *Repositioning Nutrition as Central to Development*. The World Bank, 2006.

24. Furthermore, economic growth alone is not enough to reduce hunger. Many fast growing Latin American and Asian countries, for example, have shown a progressively uneven distribution of wealth, leaving pockets of severe undernutrition among marginalized population groups – both in urban and in rural areas. As a result, the prevalence of hunger in many developing countries has not decreased proportionally to economic growth.

Population Growth

25. According to the United Nations Population Division of the Department of Economic and Social Affairs¹, the world’s population will likely increase from the current 6.7 billion to 9.2 billion in 2050. The consequences of this growth will depend on a variety of factors, including: its distribution between developed and developing countries; its distribution between urban and non-urban areas; and its impact on the natural resource basin.

¹ United Nations Population Division, 2007, “World Population Prospect: The 2006 Revision”.

26. Almost all the population growth will take place in the less developed regions, whose population is projected to rise from the current 5.4 billion to 7.9 billion in 2050².
27. According to the United Nations Human Settlements Programme³, the percentage of the world's population living in urban areas is constantly increasing and in 2007 – for the first time in history – the world's urban population will exceed the rural population. Most of the projected urban growth – 95 per cent – in the next two decades will be concentrated in cities of the developing world.
28. This population increase is resulting in the growth of slums and unplanned urban settlements – with impoverished access to water, sanitation and basic services. In many Sub-Saharan African cities, people living in slums already account for over 70 per cent of the urban population⁴. This, in turn, may exacerbate social tensions and conflicts, and pose serious threats to environmental stability.
29. The rapid population growth will also significantly strain the natural resources basin. According to the International Energy Agency⁵, the global primary energy demand will increase by an average annual rate of 1.6 percent over the next two decades. Over 70 percent of the increase in this demand will come from the developing world.
30. FAO⁶ estimates that by 2050 there will have been significant progress in undernourishment prevalence, but that this progress will not have translated into a decline in the total number of undernourished people because of the population growth.

The Gender Gap

31. Women play a central role in the production, provision and preparation of food, and they are the main producers of the world's staple crops, providing up to 90 percent of the rural poor's food intake. Despite this, the vast majority of hungry people today are women and girls. The problems of both hunger and gender inequality continue to be large, and global progress is far from satisfactory.
32. Addressing hunger and bridging the gender gap are inherently intertwined. The relationship between fighting hunger and addressing gender inequality is a two-way street: the benefits of one cyclically feed into the success of the other.

² United Nations Population Division, 2007, "World Population Prospect: The 2006 Revision".

³ UN-HABITAT, 2006, "The State of the World's Cities Report 2006/7".

⁴ UN-HABITAT, 2006, "The State of the World's Cities Report 2006/7".

⁵ International Energy Agency, *World Energy Outlook 2006*.

⁶ FAO, 2006, "World Agriculture: Towards 2030/2050".



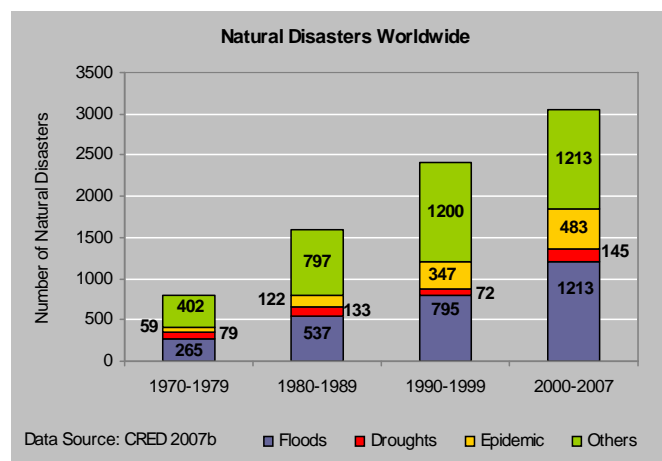
Promoting gender equality and empowering women (MDG 3) is one of the best strategies in fighting hunger and malnutrition⁷; moreover, addressing the nutritional needs and knowledge of women is essential to both bridging the gender gap and breaking the cycle of hunger. This would also impact on other MDGs such as infant mortality (MDG4), maternal health (MDG5) and universal primary education (MDG2).

33. Additionally, potential impacts of continued efforts in the education of women and girls would contribute to a decline in malnutrition rates and an increase in agricultural outputs.
34. An IFPRI study found that women's 'status' – defined as women's power relative to men's in their households, communities and nations – significantly affects child nutrition. Women with higher status typically have a higher nutritional status and provide higher quality care for their children⁸. Also, women's central role in the household means that they are key players in fostering awareness and increased knowledge.

CURRENT NATURAL ENVIRONMENT TRENDS

Increasing Number of Natural Disasters

35. According to the Centre for Research on the Epidemiology of Disasters, the number of natural disasters has increased from 200-250 per year in the mid-1990s to 400-450 per year in 2000-2005. WFP must thus be prepared for a growing number of natural disasters in the coming years. The ability of countries to respond to these disasters will depend on their level of development. Furthermore, repeated disasters have the potential to reverse positive development trends and create undernutrition problems even in countries that are now making progress in the fight against hunger.



Source: Centre for Research on the Epidemiology of Disasters, 2007.

⁷ FAO, 2005, "The State of Food Insecurity in the World 2005".

⁸ IFPRI, 2005, "Women: Still the Key to Food and Nutrition Security".



36. Increasingly, these crises may be caused or aggravated by factors related to global climate change.

Climate Change

37. Climate change is likely to be one of the most significant challenges facing the world over the next decades, requiring substantial investment by both developed and developing countries in their resilience and adaptive capacities. Climate change correlates strongly with increased frequency and magnitude of extreme weather events, such as droughts and floods. It is also linked to changes in growing seasons, more frequent disease outbreaks and changes in rainfall patterns⁹. The combination of these factors may well increase vulnerability to the risk of food insecurity. In fact, recent research suggests that recent warming is already affecting crop yields on a global scale¹⁰.
38. Throughout the course of 2007, the Intergovernmental Panel on Climate Change has published new assessment reports summarising current expert understanding and projections on climate change. According to its findings, the actual warming of the climate system is unequivocal¹¹, and the poorest will be disproportionately affected¹². Additionally, Africa is likely to be one of the most vulnerable continents to climate variability and change because of multiple stresses and low adaptive capacity. For example, its projections of climate change impacts in Africa suggest significant losses in gross domestic product, exacerbated malnutrition, water stress and a reduction in the length of the growing season and in yield potential.
39. Climate change may hinder the world's ability to satisfy all sources of demand for food, as it is expected to depress agricultural yields over time in warmer regions, possibly contributing to pressures on food supplies in these areas.

Rising Demand in the Agricultural Commodities Markets

40. World economic and population growth, increasing demand for meat and dairy products in several developing countries and demand for grains and oilseeds for production of biofuels have increased the overall demand for agricultural commodities. According to the International Grains Council, world grain stocks are expected to fall to their lowest levels for 30 years during 2007/08. These

⁹ *Climate Change 2001: Impacts, Adaptation and Vulnerability*, Intergovernmental Panel on Climate Change (IPCC).

¹⁰ *Global scale climate-crop yield relationships and the impacts of recent warming*. David B Lobell and Christopher B Field, *Environment Research Letters*. (March 2007).

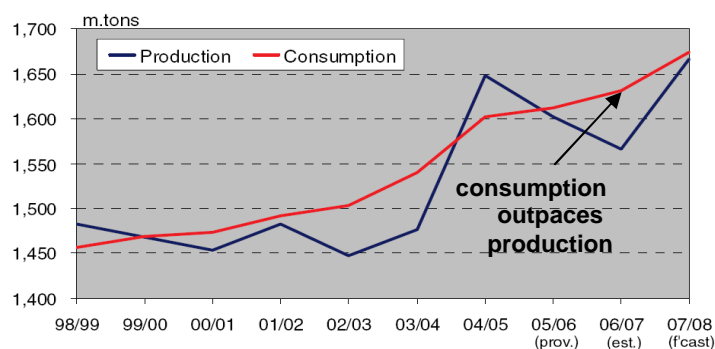
¹¹ *Climate Change 2007: The Physical Science Basis*, Energy and Environment Directorate, Lawrence Livermore National Laboratory, Livermore, CA 94550, USA.

¹² *IPCC Climate Change 2007: Impacts, Adaptation and Vulnerability*, Department of Global Ecology, Carnegie Institution, Stanford, CA 94305, USA.



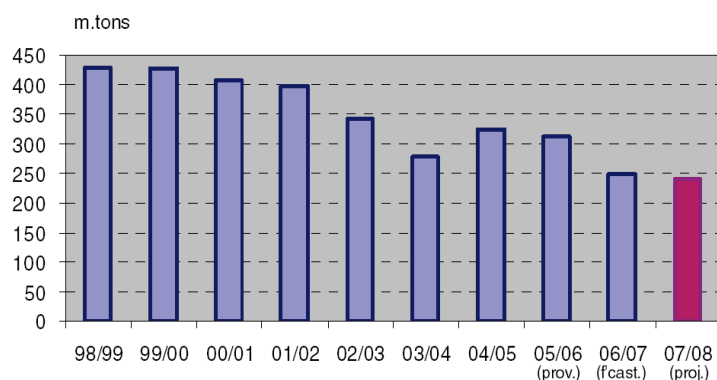
structural developments could sustain agricultural prices over the short and medium term – reversing a long-term trend of declining prices – and increase their volatility, as the current model of crop-based biofuels may further strengthen links between energy and agricultural prices.

World Production and Consumption of Grains



Source: *Grain Market Report*. International Grains Council, 2007.

World Closing Stocks of Wheat and Coarse Grains



Source: *Grain Market Report*. International Grains Council, 2007.

41. As cereal grains constitute the most important source of food for people worldwide and more than 850 million are still undernourished, higher food prices may decrease access to cereal grains by the most vulnerable groups, and further worsen the position of low-income net food importing countries. Indeed, many small farmers in developing countries are net-buyers of food and would be negatively affected by higher food prices. In some cases, however, higher crop prices may bring benefits to certain developing countries or small farmers, especially those that produce cash crops.
42. WFP purchasing costs have increased by 45 percent for maize and wheat and 65 percent for rice between January 2002 and January 2007. Over this period, the price of crude oil went up by 165 percent and shipping rates by 40 percent. This will have consequences for WFP and will require further adjustments on the way WFP does business.



OTHER CURRENT RELEVANT TRENDS

43. Technological advances are increasingly improving the speed and efficiency of communication, information sharing, coordination, surveillance and early warning capabilities. As technologies in these fields continue to be developed, sustained investment offers tremendous opportunities to improve the way WFP delivers its food assistance.
44. The places where WFP intervenes are often subject to high levels of insecurity, both for aid recipients and WFP staff. Such security threats have an adverse impact on the shape, cost and efficacy of WFP's operations – a major challenge that the organization will need to continue to tackle in the years to come.

CURRENT NATIONAL RESPONSES TRENDS

45. National governments are responding to these global external challenges. Indeed, many country-led changes are already taking place at the national or regional level, not least the greater engagement of national authorities in efforts linked to hunger reduction and poverty alleviation, as well as their push for a greater coherence and coordination of United Nations operations. For example, Poverty Reduction Strategy Processes are currently on the agenda of about 70 countries around the world.
46. These developments have consequences on the way Official Development Assistance is managed. For instance, an ever larger share of ODA is now transferred through direct budgetary support subject to national prioritization, in recognition of the primary responsibility and rising capacity of governments to pursue their own development objectives. This also means that funding allocations are increasingly decided by the countries themselves, rather than in the donors' capitals, and that international agencies' interventions can focus on supporting and strengthening successful national policies.
47. Due to sound national policies backed by sustained and appropriate donor support, certain countries – such as Thailand, Chile and Ghana – have seen dramatic declines in the prevalence of hunger and hunger-related problems. Such examples show that success is possible, and should inspire further action by countries and by the international community to combat hunger.
48. Closer attention has also been paid to the necessary inclusion of the views of the poor into the prioritization and design of development programmes.

CURRENT UNITED NATIONS REFORM TRENDS

49. The United Nations is facing greater demands today from many of its member states to “deliver as one” – in particular, with coherent, system-wide programmes of development and humanitarian activities at the country level that are based on added value and comparative advantages. A comprehensive set of recommendations was presented in the November 2006 report of the



Secretary-General's High Level Panel on the United Nations system-wide coherence. More specifically, the Panel mentioned issues related to the environment and the sharing of best practices. Measures to increase the coherence of the United Nations development programming at the country level have also been supported by the United Nations General Assembly's Triennial Comprehensive Policy Review of Operational Activities for Development (TCPR), the 2005 World Summit Declaration, and the 2005 Paris Declaration on Aid Harmonization. Intergovernmental debate on the speed and scope of the United Nations reforms is continuing in 2007, particularly in the context of this year's TCPR. While the exact outcome of these discussions cannot be predicted, some continued movement in the direction of a more coherent United Nations System is likely.

50. In the development area, the United Nations reform efforts have focused on more unified and harmonized programming at the country level, supporting one nationally-owned, MDG-driven development plan. WFP is a member of the Executive Committee of the United Nations Development Group, together with UNDP, UNICEF and UNFPA. In the humanitarian area, the emphasis has been on predictability and speed of humanitarian response, as well as broader and more equal partnerships between the United Nations, national governments and NGOs. WFP is a member of the Executive Committee on Humanitarian Affairs led by OCHA, together with UNICEF, UNHCR, WHO, UNDP and others, as well as a member of the Interagency Standing Committee (IASC), which includes the major NGO and Red Cross humanitarian actors. Both the development and humanitarian reform agendas have pushed for a clearer, more systematic division of labour among agencies, with defined leadership and coordination roles at the sector level. These reform efforts are also exploring innovative approaches to "pooled" funding arrangements at both the global and country levels, as well as greater interagency harmonization of business practices (human resources, finance, logistics, telecommunications, and procurement among others). Another overarching theme is the necessity for the United Nations agencies – as well as the broader international community – to ensure the sustainability of their interventions.
51. These United Nations reforms have already had a significant impact on WFP's development and humanitarian activities, and their influence on WFP is likely to increase during the period of the next Strategic Plan. Future decisions on WFP policies, funding modalities, programming approaches, business practices and operational services (such as logistics and emergency telecommunications) will increasingly need to take into account the United Nations system-wide policies and practices, as well as assess even more carefully how WFP can add value and have impact based on its comparative advantages in close cooperation with partners. Effective development of WFP partnerships will therefore become more important. WFP will have to build its interagency



coordination and leadership capacities in core competencies – hunger, needs assessment, logistics, and emergency information and communications technology (ICT) – especially in light of the fact that WFP was designated as the logistics cluster lead agency and co-lead of the emergency telecommunications cluster within the United Nations system.



ANNEX II**WFP STRATEGIC PLAN (2008-2011):
SECOND BACKGROUND NOTE****WFP TOOLS AND APPROACHES TO HUNGER****I. INTRODUCTION**

1. The context in which WFP now operates continues to evolve. The external environment presents increasing demands and new challenges, as well as threats such as climate change that have the potential to reverse much of the progress achieved so far in meeting the Millennium Development Goal (MDG) 1 of cutting hunger in half. At the same time, new technologies, techniques and learning – together with the potential for mobilizing greater awareness – open up the possibility of making historic gains in the global fight against hunger. These and other related aspects were discussed during the Executive Board's first consultation on the Strategic Plan 2008-2011 in August 2007, and they were the principal focus of the "Background Note" on *The External Environment* that was discussed by the Executive Board at that meeting.
2. Also part of the broader context in which the Strategic Plan 2008-2011 is being considered, is the fact that the United Nations system itself faces intensified demands from its member states to "deliver as one", including insistence on greater system-wide coherence in operations and programming at country level. Resources remain limited while commodities and other costs have increased significantly. At the same time, unmet needs continue to increase – thereby placing a premium on partnership and on ensuring that WFP directs its resources and attention where it has the greatest added value, comparative advantages and impact.
3. Conceptually, the WFP Strategic Plan 2008-2011 needs to help WFP to identify and, as far as possible, anticipate threats, challenges and opportunities in the battle to reach the MDGs, particularly the target of halving global hunger by 2015. In part, this also includes recognizing and addressing the growing discrepancy between the organization's current toolbox and the changing nature of global hunger – in line with the so-called "Berlin Consensus" on the future of food assistance. The WFP Strategic Plan also needs to provide a clear framework of priorities to address those threats, challenges and opportunities.



4. Operationally, the strategic plan should help position WFP to meet the evolving needs of its core focus on addressing hunger-related emergency needs among the most vulnerable – the vast majority of whom are women and children. At the same time, it will need to situate WFP within the context of a broader international community that increasingly needs to work together to meet the tough new challenges that lie just ahead. In part, this means deploying and/or developing the right tools, and possessing and deploying the right toolbox to meet these key needs and challenges, taking into consideration that there may also be a need to mobilize new types and sources of funding – in particular in the context of resources mobilized through country-led responses frameworks.
5. Politically, the strategic plan needs to help build a new consensus among Member States on what WFP's particular roles and responsibilities will be in addressing the challenge of hunger in the 21st century, and how those roles and responsibilities will be linked to that of other actors in order to bridge the large and often critical gaps that continue to exist in the global humanitarian architecture. This includes significant gaps between emergency needs and longer-term sustainable hunger solutions, and between the resources and mandates of various agencies and actors seeking to meet the needs of the most vulnerable.

II. THE CHANGING CONTEXT AND EVOLVING NEEDS

6. Over the past decade, the external environment in which WFP operates has changed significantly. There have been important shifts in the food aid and funding environments, including the decline in available food surpluses, rising prices for agricultural commodities, an increase in cash contributions, a growing number of countries arguing in favour of direct budgetary support, as well as increasing concerns about the upward trend in the number of natural disasters and deepening economic inequalities. These changes have accelerated in recent years. Looking towards the future, these and other issues – including HIV/AIDS and other pandemics, climate change, population growth and new technologies – will contribute to making WFP's external environment and the task of meeting the MDGs increasingly challenging.
7. As was noted during the August consultation, many of these developments have the capacity to dramatically change the environment in which WFP works. Some developments will require that WFP rethink and perhaps reshape its toolbox of responses, in line with national priorities and strategies and with the objective of filling gaps in countries capacity and not duplicating others' activities. Others may prompt the international community to rethink and perhaps retool its range of responses and methods of responding – including the need to better tackle a number of clear and persistent gaps. Understanding and – where possible – anticipating these trends will be critical for the organization and especially for those people whom we serve.



8. At country level, there is rightly a greater emphasis on country leadership in all aspects of activity, and a greater engagement by governments in efforts linked to hunger reduction and poverty alleviation. The sharp trend toward official development assistance being provided as direct budgetary support subject to national prioritization; the stronger role of national governments in the poverty reduction strategy processes; and the strong push by many developing countries to establish greater coherence and have fewer external interlocutors (including with the United Nations system) – all are manifestations of this trend.
9. Common trends at the country level, however, do not mean that every country faces the same issues. Hunger in Africa and in Latin America, for instance, takes place in very different contexts, so that any attempt to generalize the nature of the problem is likely to lead to misguided, “one-size-fits-all” policies. Differentiated situations call for differentiated response strategies. In order to respond to these differences, traditional categories and labels may need to be looked at from a new perspective.
10. Just as important as the changing global context within which WFP will be working, it has become increasingly clear that what is needed and expected of WFP is also in a state of flux. As the causes of hunger and its solutions have become better understood, the calls upon WFP to broaden its hunger tools beyond commodity delivery have correspondingly expanded, while the amount of resources to accomplish those tasks remain uncertain. Likewise, as WFP’s emergency and logistics capacities have become more widely recognized and appreciated, the calls upon WFP to use this capacity for purposes that go well beyond food aid have also increased – and so too has the importance of WFP’s vulnerability analysis and prevention tools, local purchase programmes, and emergency recovery work. A key challenge for WFP will be to draw on its toolbox and partnerships network to best adapt to a variety of contexts of intervention, while setting clear priorities for its activities. WFP must also pay close attention to the coordination and complementarity of its activities with those of others.
11. In early May 2007, a Conference was held in Berlin against the backdrop of a possible new Food Aid Convention. What emerged is now referred to as the “Berlin Consensus” – common thoughts from 100 participants from national governments, the European Community, United Nations agencies and the NGO community. Among the main conclusions were an understanding that we live in a post food-surplus disposal world; that food aid cannot resolve every food security or development challenge; that the conversation needs to shift from food aid, which is often narrowly associated with commodities, to food assistance, including in-kind food aid, cash to facilitate food transfers, and micronutrients; that food assistance should focus on the causes of hunger; that



the current assessment tools as well as local emergency preparedness and response capacities should be enhanced; and that linking relief, recovery, rehabilitation and development activities is a critical element of the broader humanitarian assistance reform.

12. As WFP and the Executive Board come to terms with the changing external environment and the new advances in understanding hunger, the “Berlin Consensus” provides a useful platform from which to begin looking at WFP’s toolbox – including how well the current set of tools and approaches match the current set of needs and expectations. The issues presented below are not however, meant to suggest that WFP can or should try to respond to every issue or need, rather they are meant to facilitate a discussion on hard choices and decisions that need to be made – choices that WFP and its partners now confront on a daily basis.

III. TOOLS AND APPROACHES

13. As an organization with decades of experience in fighting hunger and responding to crises, WFP has developed a wide and formidable array of tools and approaches to respond to hunger related needs. In many cases, such as with WFP’s general food distribution activities in sudden onset emergency situations – existing tools continue to fit current needs. In other cases, as in addressing child hunger and undernutrition or using WFP’s purchasing power to benefit small farmers – new and/or better tools are a prerequisite for meaningful progress. In still other cases, as with weather risk insurance or infrastructure rehabilitation in post-conflict situations – there is more consensus on the utility of the tools and approaches than on what role WFP should have in developing and/or applying them.
14. Partnerships are critical for WFP to accomplish its work. In fact, be it in precursor efforts, emergency operations or during the transition to sustainable solutions to hunger, success depends not only on WFP’s own capacity and capabilities, but also on the extent to which WFP manages to be a partner for others - be they national governments, other United Nations agencies or international or national NGOs. WFP’s contribution is an important building stone, but needs also to be integrated into broader efforts involving other actors. Bringing in partners early can help ensure a smoother transition and timely exit for WFP with a better chance of making the achievements of the intervention last.
15. ***WFP’s toolbox for responding in crisis situations.*** When international assistance is needed to respond to crisis situations – WFP is among the first organizations called upon to assist. Today, providing assistance quickly and effectively in a crisis to save lives and protect livelihoods is one of WFP’s acknowledged



strengths, and emergency response today constitutes the core of WFP's business and the main focus of its resources and attention. In large-scale emergencies WFP is regarded as crucial, with operational, logistical and other rapid response capabilities that no other agency can provide.

16. Key assets for WFP in carrying out this role are its deep and extensive field presence; its action oriented, problem solving approach; its culture of practical and operational innovation; and its ability to target and reach the most vulnerable people and communities.
17. WFP's toolbox in humanitarian crisis situations includes, for example:
 - WFP's emergency management capabilities, which enable it to respond effectively and efficiently to relief needs;
 - WFP's logistics capacity (food and non-food) and its emergency communications systems;
 - WFP's ability to rapidly provide emergency response and general food distribution on a massive scale;
 - WFP's emergency needs assessment capabilities.
18. WFP's leadership in these areas is recognized through its cluster lead responsibility within the United Nations system for humanitarian logistics, and its co-leadership in emergency telecommunications. Yet despite WFP's widely recognized reputation as an organization that is effective in responding to emergencies, important opportunities for enhancing WFP's emergency toolbox remain.
19. *Key questions:*
 - *Should WFP position itself to be a logistics service provider for the broader non-United Nations humanitarian community, on a full-cost-recovery basis?*
 - *In the particular situation where some other agencies are not able to deliver their mandate, could WFP use its existing strength in emergency response through an inter-agency tasking mechanism (including United Nations clusters) to address critical non-food needs?*
 - *In emergency situations, should WFP also initiate long-term responses, provided that it can show comparative advantages and reasonable assurance can be given about their sustainability?*
 - *How could WFP, through its policies and resourcing frameworks, give greater emphasis to the nutritional adequacy of its interventions in emergency situations, in a cost- and time-effective manner?*



20. *WFP's toolbox for precursor situations, including prevention*¹. As millions continue to die worldwide from hunger related causes, and as the costs of intervening late continue to escalate, the case for a greater focus on prevention becomes ever more compelling. Early investments in these areas are often the most cost effective of all interventions, which can decrease the number of crises or reduce their impact, as well as facilitate the implementation of WFP's emergency responses.
21. That WFP has a role to play in prevention is widely acknowledged, even if not currently a central one within the humanitarian and development community. Some of these types of activities have in one form or another long been a part of WFP's toolbox – though they have at the same time generally lagged well behind other areas in terms of resources, programmatic focus and strategic attention. Indeed, compared to the organization's large, robust, and well established emergency response tools, the toolbox for precursor efforts is smaller and the tools much less well developed, while the gaps in the humanitarian and development architecture remain large. In any case, WFP's interventions in these fields should be driven by country priorities, such as those expressed in the poverty reduction strategy processes, as well as WFP's recognized impact, added value and comparative advantages. WFP's interventions should also be well integrated with and complement other actors' responses.
22. WFP's toolbox in precursor situations includes, for example:
- Support to early warning systems, which help identify and predict the risk as well as organize the response when the risk occurs;
 - Support to social safety nets, which help mitigate the short and long-term consequences of a disaster;
 - Contingency planning, which reinforces WFP's ability to respond to a quick-onset emergency;
 - Hunger targeting and analysis tools (such as WFP's Vulnerability Analysis and Mapping (VAM));
 - Capacity strengthening where possible with governments and communities in areas of WFP expertise related to precursor situations.
23. Giving greater priority to prevention and making this a core part of WFP's operational and policy framework would nonetheless be a change in WFP's current approach. Within the hunger cycle framework, it would imply a greater focus on looking beyond the activities most closely linked to sudden disasters and emergencies, and focusing adequate resources and attention on the day to day situations in which chronically high undernutrition rates exact a tremendous

¹ Definition: As used in this paper, prevention is the category of interventions that have the potential to avert, impede or reduce the likelihood or impact of a phenomenon before it occurs. Prevention is taken to include pre-crisis mitigation efforts.



toll in human lives, in lost productivity, and in overall community and national development. It might imply, for example:

- that WFP should pay much greater programmatic attention to infants, adolescent girls, pregnant women and lactating mothers in all situations;
- that WFP give even greater emphasis to providing basic nutrition as a means of preventing nutritional emergencies and mitigating the impact of disasters;
- that issues related to health, hygiene and caring practices also be an integral part of the WFP equation;
- that greater programmatic attention be paid to community based infrastructure to prevent/mitigate crises, especially natural disasters, and cope with climate change;
- that greater programmatic attention be paid to strengthening national capacities.

24. *Key questions:*

- *What should be the range of WFP's tools to address prevention and other precursor opportunities? In particular, should WFP's role be exclusively focused on supporting others' activities and on strengthening governments' capacity in these areas? Or should WFP invest in innovative programs that address prevention, provided that these programs have the potential to fill recognized gaps in the humanitarian architecture?*
- *Do the shifts in the external environment – i.e., greater weather uncertainty, population growth, rising food prices – urgently require a dramatically bigger focus on prevention?*
- *Should WFP continue to explore with FAO, IFAD, OCHA and others, ways in which common risk mitigation issues could be collectively addressed and financed – including the possibility of a risk mitigation centre for the Rome based agencies and other partners?*

25. ***WFP's toolbox for recovery and for bridging the gap to sustainable longer term solutions to hunger.*** Facilitating a smooth and effective recovery from crisis, working within the frameworks set by national governments and together with partners to jump start critical rehabilitation efforts and ensure a smooth and timely transition from ad hoc shorter term measures to sustainable longer term hunger solutions – these are in many situations among WFP's most important tasks. Through its efforts and partnerships WFP can help individuals not only to survive but also to get back on their feet, thereby allowing a handoff of WFP's role to sustainable longer term activities and solutions. WFP helps give communities the framework and building blocks they need to get over the tipping point between post-crisis recovery and sustainable longer term solutions.



WFP can help countries to put back in place institutional systems designed to fight hunger in a sustainable manner. As in the precursor situations, WFP's interventions in these fields should in any case be driven by country priorities as well as WFP's impact, added value and comparative advantages. All WFP's activities in recovery situations should also be designed with the objective of handing them over as soon as feasible. Clear and robust handover strategies are of paramount importance to ensure the sustainability of WFP's interventions in recovery settings.

26. In many respects however, this also represents perhaps WFP's toughest challenge, and WFP often finds itself facing gaps in the humanitarian community's response to an emergency crisis or in national counterparts' capacity to gradually take over and manage the transition to more sustainable livelihoods. Some areas of intervention, such as water, straddle the mandates of a multiplicity of organizations. Sometimes, the agency in charge of a particular aspect of the crisis cannot intervene directly, for example because of a limited field presence or lack of resources. In other cases, a national government may not have the capacity to step in and shoulder an increasing responsibility and workload as WFP gradually exits an operation. WFP's ability to deliver concrete results on the ground can therefore be undermined by cracks in the broader humanitarian architecture or national capacity. The situation is made all the more difficult and complex by the inherently uneven and non-linear nature of recovery and rehabilitation efforts – especially in post-conflict situations – with progress often being accompanied by reverses, and advances in some sectors hampered by setbacks in other sectors. Yet despite a common recognition of the importance of the critical importance of recovery and rehabilitation efforts and the very positive impact that they can have in influencing larger outcomes – especially in post-conflict situations, WFP's engagement in these activities is often called into question, even in situations where no meaningful alternative exists on the ground.
27. WFP's toolbox for interventions in recovery and rehabilitation situations (including post-conflict recovery) includes, for example:
 - Targeted food and nutrition programmes that are designed to re-establish a foundation of "normalcy" for individuals and communities, including programmes that help rebuild local ecologies and communities;
 - Special operations to re-build local systems, roads and other infrastructure that are critical to overall national recovery efforts – and in particular, critical to the restoration of food production and distribution systems;
 - Capacity strengthening assistance in the establishment, management, and maintenance of food assistance mechanisms and food security systems.



28. *Key questions:*

- *How can WFP call attention to and minimize the resourcing gap often present in post-conflict/disaster environments or in the “bridge space” between emergencies and sustainable long term solutions?*
- *How can WFP bring more consistent, sustainable post-conflict/disaster response – including through partnerships and capacity strengthening - helping prevent the slide back into emergency status?*
- *How should WFP approach the “structural emergencies” that hover between emergency and recovery for years, if not decades?*
- *What should be the balance between services to governments, direct operations and partnerships in WFP’s interventions in recovery and gap-bridging situations?*
- *How does WFP ensure that it works within national frameworks to promote full recovery while maintaining operational effectiveness and delivering results in often difficult environments?*

29. An area of particular concern for WFP and its partners is the handover from shorter term interventions to sustainable longer term solutions. The breadth and depth of WFP’s partnerships are crucial to the handover phase, keeping in mind that they are not an end in itself; WFP must look at partnership possibilities from a practical point of view, assessing in particular the strengths and gaps of its potential partners at the field level. Breaking the cycle of hunger requires that humanitarian responses be accompanied by sustainable longer-term interventions that address the root causes of crises so as to avoid the need for continued or recurring emergency action. Hunger is sometimes not caused by food or agricultural challenges, but by marginalization of certain groups, such as women and girls, thereby perpetuating a cycle of hunger from generation to generation. These groups need hunger interventions to prevent stunting and permanent perpetuation of the hunger cycle. Governments and communities need to be helped in their efforts to address hunger – including in their preparedness to deal with inevitable hunger emergencies and to link these efforts to longer term solutions. Long term capacity strengthening and the “handover” of hunger tools are therefore critical, particularly in an era of increasing food prices and climatic emergencies. WFP interventions need to look as a matter of priority at those gaps that weaken the efficacy of the global fight against hunger.

30. When and how WFP should help make the transition from shorter term interventions to sustainable longer term solutions is in many cases not clear. Particularly uncertain for WFP, because of the lack of consensus on its role, is when and in what way WFP should be directly involved and focused on helping countries and communities to advance sustainable longer term solutions – in post-crisis situations, and more broadly. The question is particularly significant because 90% of hungry people in the developing world are chronically hungry –



and outside the scope of the emergency operations which have become WFP's predominant area of activity. If these numbers are to be reduced, and if the Millennium Development Goals are to be achieved – then greater attention is needed to putting in place sustainable longer term solutions to hunger.

31. WFP's toolbox for helping to advance sustainable longer term solutions to hunger includes, for example:

- Targeted food and nutrition programmes such as school feeding, as well as targeted livelihood support programmes such as food for training;
- Using WFP's purchasing power to help connect small farmers to markets;
- Capacity strengthening and technical assistance related to food assistance policies and programmes, as well as advocacy for hunger related needs, policies, and programmes;
- Targeted programmes to address the generational hunger cycle, such as mother-child interventions; including the "essential package" intervention done with UNICEF, WHO and other partners to ensure children have food, deworming, micronutrients, and other vital interventions;
- Targeted programmes to provide essential food and nutrients to those with HIV/AIDS, to help with the return to livelihoods;
- Special programmes addressing girls, such as the "extra ration" programme in school feeding;
- Handover of WFP's "hunger safety net" tools, such as vulnerability analysis.

32. *Key questions:*

- *What tools should be in WFP's food assistance toolbox, from food to cash and/or voucher options?*
- *How should WFP participate in "hunger safety net" systems?*
- *How can WFP better communicate its offering on breaking the cycle of hunger to governments and ministries?*
- *How can developing countries better incorporate into their development plans essential interventions for pregnant mothers and pre-school age children? How ought WFP to link to those efforts?*
- *Could WFP and other partners use schools as a primary intervention platform for basic food and nutrition, creating a "safety net" for learning and growth?*