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de Alimentos

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Annual Session**

Rome, 12–16 June 2006

OPERATIONAL REPORTS

Agenda item 10

*For information**



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PROGRESS REPORT ON THE NEGOTIATIONS ON THE LETTER OF UNDERSTANDING RELATED TO PRRO DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA 10488.0

Recovery Assistance for Vulnerable Groups

Number of beneficiaries	1.9 million
Duration	1 June 2006–30 May 2008
Total food tonnage to WFP	150,000 mt
Cost (United States dollars)	
Total cost to WFP	102,000,000

* In accordance with the Board's decisions on governance approved at the 2000 Annual and Third Regular Sessions, items for information should not be discussed unless a Board member specifically requests it well in advance of the meeting and the President accepts the request on the grounds that it is a proper use of the Board's time.

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for information.

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 points indicated below, preferably well in advance of the Boards meeting.

Regional Director, ODB*: Mr A. Banbury tel.: 066513-2505

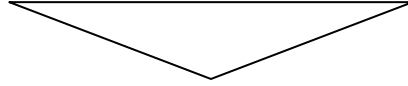
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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Asia regional bureau



DRAFT DECISION*



The Board takes note of “Progress Report on the Negotiations on the Letter of Understanding related to PRRO Democratic People’s Republic of Korea 10488.0” (WFP/EB.A/2006/10-B).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations (document WFP/EB.A/2006/16) issued at the end of the session.



BACKGROUND

1. On 23 February 2006, during its First Regular Session, the Board adopted the following decision: “The Board approves PRRO Democratic People's Republic of Korea 10488.0 ‘Recovery Assistance for Vulnerable Groups in the Democratic People’s Republic of Korea’ (WFP/EB.1/2006/8/3). It requests the Secretariat to hold informal consultations with the Board, at the discretion of the Executive Director, on negotiations on the Letter of Understanding (LOU) with the Government of the Democratic People's Republic of Korea, and to submit a written report to the Executive Board in June 2006.”
2. Following the Board’s decision, WFP immediately began consultations at the country level on a new LOU. Given the importance of this issue and the priority attached to it by the Board, the Executive Director asked the Senior Deputy Executive Director, Mr Jean-Jacques Graisse, to travel to Pyongyang to convey directly to the Government the views of the Board and to advance the negotiations. Mr Graisse undertook his mission from 14 to 16 March 2006, accompanied by the Regional Director for Asia, Mr Anthony Banbury.
3. Mr Graisse had constructive talks with the Vice-Minister for Foreign Affairs, Mr Choe Su Hon, and the Director General of International Organizations of the Ministry for Foreign Affairs, Mr Ri Hung Sik. At the same time, technical discussions were held involving WFP staff and Foreign Ministry officials with the aim of agreeing the wording to be used in the LOU. Mr Graisse’s mission confirmed that both sides are strongly committed to continuing WFP’s work in DPRK. Both parties expressed their support for the approved PRRO and agreed to collaborate within that framework.
4. Three main issues emerged in Mr Graisse’s talks: (i) the relative scale of the interventions – mother-and-child nutrition (MCN), school feeding and food for community development (FFCD); (ii) access and monitoring arrangements; and (iii) geographical coverage of the WFP operation. By the end of Mr Graisse’s mission, agreement had been reached on most of the outstanding issues; negotiations on the remaining issues were conducted by the WFP country office in consultation with the Asia Regional Bureau and WFP Headquarters.
5. By 17 April, agreement had been reached on all major issues; minor technical points were still under discussion. On 21 April, in line with the Board’s decision at its First Regular Session of 2006, the Executive Director held an informal consultation with the Board on the status of negotiations with the DPRK authorities on the LOU, at the end of which, in response to the consensus in the Board, he informed the Board that he intended to proceed with the signing of the LOU.
6. In the following days the final technical issues were resolved and WFP and DPRK agreed the text of the LOU. The Executive Director approved the LOU and delegated signature authority to Mr Banbury. The LOU was signed in Pyongyang on 10 May 2006 by Mr Banbury and by Mr Ri Hung Sik in his capacity as Secretary-General of the National Coordinating Committee for WFP (NCC).
7. The LOU underlines WFP’s commitment to providing food to those most in need, especially women and young children, and to supporting the Government’s recovery efforts in the area of food security. The health and nutritional status of the most vulnerable groups will be promoted through MCN programmes, school feeding and local food production (LFP). The Government’s long-term goal of achieving food security will be supported through community-based initiatives under the FFCD component.



LOU HIGHLIGHTS

8. The LOU outlines the best possible operating conditions that could be negotiated in the circumstances.

Field Access

9. Agreement has been reached on the basis of WFP's policy of "no access, no food". The LOU confirms the principle that WFP will have access to the people receiving its assistance in the places where they receive it. It stipulates that WFP will have access to beneficiary institutions such as orphanages, hospitals, kindergartens, nurseries, and primary schools and that each FFCD project can be visited three times, once before, once during and once after implementation. WFP staff will have access to sea and rail entry points when WFP commodities arrive and to warehouses and public distribution centres.

Geographical Selection

10. The LOU provides for an initial geographical focus for the PRRO, but has built-in flexibility for scaling up assistance to additional vulnerable areas in the future that would be subject to consideration and agreement in the recently instituted quarterly joint programme review meetings between NCC and WFP.
11. Thirty focus counties have been identified for the start-up phase of the operation; a further 20 should in principle be agreed in the future and added to the operation as resources become available. Both sides have agreed not to allocate WFP assistance in more than 50 counties for the time being: initial resources will be concentrated in order to produce the greatest benefit.

Assessments

12. Situation assessments will evaluate the impact of the PRRO, measuring the impact of WFP's assistance on the beneficiaries' food situation and nutritional status and assessing the overall food security situation of communities in the targeted areas.
13. WFP has insisted that the nutritional impact of its support must also be included in these assessments, because it is not known whether joint nutrition assessments involving WFP, the United Nations Children's Fund (UNICEF) and the Government will be permitted in the future. The last such survey was conducted in 2004.

Local Food Production

14. For the initial phase of this operation, the eight LFP factories listed below will be re-opened in support of school feeding, pregnant and lactating women and young children in hospitals and orphanages.
 - i) Hamhung Biscuit
 - ii) Hamhung CSM (corn-soy milk)
 - iii) Hamhung CMB (cereal-milk blend)
 - iv) Sinuiju Biscuit
 - v) Huichon CMB (cereal-milk blend)
 - vi) Pyongyang RMB (rice-milk blend)
 - vii) Munchon Biscuit
 - viii) Pyongyang CMB (cereal-milk blend)



15. As the operation expands to include further focus counties, WFP can consider re-opening some of the remaining 11 factories.

Other

16. NCC will act as the main implementing partner, through which WFP will have direct contact with ministries, which was not possible in the past.

17. For the first time since the start of operations in DPRK, the Government has agreed to bear the rental costs of WFP's country office.

18. WFP will be allowed for the first time to install high-frequency (HF) radios in its vehicles, providing nation-wide coverage; it had been requesting this since it began operations in DPRK. The Government's willingness to allow WFP to use HF radios in addition to the very high frequency (VHF) system recently installed in Pyongyang will significantly enhance staff safety and operational efficiency.