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ANNUAL REPORT OF THE EXECUTIVE DIRECTOR: 1998

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Annual Report of the Executive Director: 1998



Note to the Executive Board

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

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Note on documentation

Pursuant to General Rule VII.2, each year the Executive Director submits an Annual Report to the Executive Board for its consideration and approval.

General Assembly resolution 53/192 notes that the Executive Boards of United Nations Funds and Programmes should ensure that the heads of these Funds and Programmes include in their Annual Reports to the Economic and Social Council (ECOSOC), prepared in accordance with ECOSOC resolution 1994/33, a thorough analysis of problems encountered and lessons learned, with emphasis on issues arising from implementation of the Secretary-General's Reform Programme, the Triennial Policy Review and follow-up to the conferences, to allow the Council to fulfil its coordinating role.

In accordance with guidance received from ECOSOC and the United Nations General Assembly, at its First Regular Session of 1999, the Executive Board decided:

- a) to include lessons learned and priority issues in the Annual Report of the Executive Director;
- b) to attach to the Annual Report of the Executive Director addenda on some of the main issues such as United Nations reform, implementation of the Triennial Policy Review, and follow-up to major United Nations Conferences and Summits; and
- c) recognizing that the Programme has limited capacity to ensure follow-up to all Conferences and Summits, to follow up and report on implementation of Plans of Action adopted at the following Conferences or Summits:
 - World Food Summit
 - Fourth World Conference on Women
 - World Conference on Education for All
 - World Summit for Social Development

In line with this decision, the following appendices accompany this Annual Report:

WFP/EB.A/99/3-A/2 Issues arising from the implementation of the United Nations Secretary-General's Reform Programme

WFP/EB.A/99/3-A/3 Implementation of the provisions of the Comprehensive Triennial Policy Review, Follow-up to major United Nations Conferences and Summits, and Follow-up to special economic, humanitarian and disaster relief assistance

Contents

FOREWORD BY THE UNITED NATIONS SECRETARY-GENERAL AND THE FAO DIRECTOR-GENERAL

PREFACE BY THE EXECUTIVE DIRECTOR

IN MEMORIAM

GENERAL NOTES

Paragraphs

SECTION I. ASSISTING THE POOR AND HUNGRY: HIGHLIGHTS OF 1998

75 million beneficiaries	1–12
Worldwide operations	13–46

SECTION II. PROGRESS IN 1998

Focus on countries with the greatest need

47

Targeting resources to the poorest beneficiary groups—VAM and FIVIMS	48–53
--	-------

Improving operational effectiveness

From crisis to recovery—a new approach	54–58
WFP policy on environment	59–61
Food aid and development review	62–63
Preparedness, contingency planning and stand-by arrangements	64–68
Evaluations of emergency operations	69–72
Advocacy, media and public campaigns	73–77
Enhancing operational partnerships	78–87
Progress on WFP's Commitments to Women	88–90
Procurement of food and non-food items	91–94

Process of reform

Implications of United Nations reform for WFP	95–103
Progress on WFP organizational change	104–106
Empowering country offices	107–108
The year 2000 (Y2K) project	109–110

Financial and resource management

Overview of WFP's consolidated budget and expenditure	111–112
Long-term financing	113–117
Improving financial management systems	118–122
Improved accountability	123–130
Human resources development	131–138

Resourcing WFP activities

Global food aid flows	139–141
Contributions, commitments and shortfalls	142–147
Immediate response account (IRA)	148–149
WFP commodities fortified with micronutrients	150–153
Resource mobilization strategy	154–156



Annexes and Maps

ANNEXES

- I** WFP Organizational Chart
- II** WFP Global Food Aid Profile (1993–98)
- III** WFP Operational Expenditures
 - Table 1: WFP Operational expenditures by region and type (1994–98)
 - Table 2: WFP Operational expenditures by country, region and type (1995–98)
 - Table 3A: WFP Operational expenditures for development projects and relief operations by country special status category and region (1994–98)
 - Table 3B: WFP Operational expenditures for development projects by country special status category and region (1994–98)
- IV** Map of WFP operational expenditures by region and type (1998)
- V** Contributions
 - Table 1: Total confirmed contributions for 1998 by donor
 - Table 2: Major donors to WFP by type of contribution (1998)



Foreword

Hunger is a violation of human dignity. It is an impediment to social, political and economic progress. Hunger and the risk of starvation prevent the poor from mastering new skills, adopting beneficial new technology, and otherwise taking advantage of development opportunities. Unless we break the cycle of hunger, the next generation will be caught in the same trap.

It is all the more worrying, therefore, that despite significant reductions in hunger and malnutrition in some developing regions, there has been no significant change in the number of chronically undernourished people overall. Two years after the World Food Summit, little progress has been made toward meeting the Summit's main target of halving the number of undernourished by the year 2015, and 830 million people in the developing world continue to suffer from a lack of sufficient food to eat on a daily basis.

Globally there is enough food to feed the world. But to our shame, we live in a world where food rots and people starve. If we are to ensure nutritional well-being, every individual must have access at all times to sufficient supplies of a variety of safe, good-quality foods.

The work of the World Food Programme is vital in the struggle to reduce hunger. The Programme's work in getting relief food to starving people is well recognized and well reported. This work is undertaken by dedicated staff, often at considerable risk. We should not forget that in 1998 twelve WFP staff members lost their lives in the service of the Programme.

Less well known is the work of WFP in preventing and reducing hunger through its development assistance. Poverty is the most universal cause of hunger. WFP development assistance tackles poverty directly, by delivering food into the hands of the poorest, often women and children. In this way WFP achieves a double benefit that is probably unique: it helps poor people meet their food needs today, while participating in development activities that will enable them to meet their own food needs tomorrow.

In the age of the sound bite, it is often easier to get resources for emergencies than for development. Yet effective development interventions increase people's resilience to shocks, and so reduce the need for future emergency assistance. Those of us who live in countries with sufficient food often take this for granted. But for the one sixth of the world's population who are chronically undernourished, economic and social development can come only after their food needs have been met.

We have an obligation to ensure that every child—not just the lucky ones—is born into a world where it may live with health and dignity. This is the vision of the World Food Programme's development assistance. It should be the inspiration of us all.

Kofi A. Annan
Secretary-General
United Nations

Jacques Diouf
Director-General
Food and Agriculture Organization
of the United Nations



Preface

The year 1998 was marked by an unprecedented combination of events that pushed up world hunger levels: climatic catastrophes like Hurricane Mitch in Central America and the Caribbean, and widespread floods in Asia; economic collapse in Indonesia; a resumption of bitter civil wars in Angola, Guinea-Bissau, Kosovo and Sierra Leone; and steady, long-term conflict, as in Somalia and southern Sudan, which slowly drains the ability of civilian populations to survive.

Economic emergencies emerged as a significant factor in 1998. In Indonesia, the economic crisis resulted in massive shortages of food and created a new population of hungry poor from the ranks of middle-class citizens.

At the same time, natural disasters, which traditionally have been causes of food insecurity, produced increasingly serious effects in 1998. Hurricane Mitch, for example, was the biggest natural disaster to strike Central America and the Caribbean in 200 years, while both Bangladesh and China suffered devastating floods—in the case of Bangladesh, the worst for over 100 years. Many experts believe that these disasters are merely the first indications of the devastation likely to be wrought by continuing climate change and environmental degradation.

Forecasts for 1999 indicate that there will likely continue to be an increase in the number of countries suffering emergencies and the number of people needing humanitarian assistance. We face an increased threat of famine, malnutrition and endemic hunger.

At the same time, every day roughly 830 million people in the world are chronically undernourished because of poverty. But the face of hunger is changing. The crises of 1998 show that we now have to take into account new instigators of famine. We urge the international community to help us face this new challenge.

In response to the sudden upsurge in relief food needs, WFP fed more people last year than ever before. Although we regret the continued need for urgent relief assistance, we are proud that the Programme rose so well to the challenges it faced.

But our achievements were muted by the fact that in 1998 so many of our valued colleagues lost their lives while serving the poor and hungry. Twelve WFP staff members died through violence or accidents during the year. They gave their lives to help make this a better world. I am proud to have been associated with them through the work of the World Food Programme.

As long as poverty, natural disasters, civil strife, war and economic crises continue to affect hundreds of millions of people throughout the world, food aid will be needed to alleviate human suffering. And WFP staff will be there, on the front line. I salute them.

Catherine Bertini
Executive Director



In Memoriam

IN MEMORY OF THE STAFF MEMBERS OF
THE WORLD FOOD PROGRAMME
WHO LOST THEIR LIVES IN SERVICE
TO THE HUNGRY POOR IN 1998

Ben Acellam, Uganda	06.03.98
Himmi Stemn, Liberia	28.05.98
Ali Hammad El Hag, Sudan	09.06.98
Sampson Ohiri Sumain, Sudan	09.06.98
William Asiku, Uganda	08.07.98
Abby Kawuki, Uganda	18.07.98
Mohammed Hashim Basharyar, Afghanistan	18.07.98
Renato Ricciardi, Burundi	23.07.98
Sayed Essa, Afghanistan	12.09.98
Antonio Martinho, Angola	15.09.98
Elias Seyala, Angola	14.11.98
Palle Wisby Pedersen, Kenya	23.12.98

MAY THEY REST IN PEACE



General notes

All monetary values are in United States dollars (\$), unless otherwise stated.

One billion equals 1,000 million.

All quantities of food commodities are in metric tons, unless otherwise specified.

Low-income, food-deficit countries (LIFDCs) include all food-deficit (i.e., net cereal-importing) countries with per capita GNP not exceeding the level used by the World Bank to determine eligibility for IDA assistance (1,505 dollars in 1996). In 1998, 83 countries were classified by FAO as LIFDCs. The United Nations category of least developed countries (LDCs) includes “those low-income countries that are suffering from long-term handicaps to growth, in particular low levels of human resource development and/or severe structural weaknesses”. In 1998, 48 countries were classified by the United Nations General Assembly as LDCs (and one classified “as if” it was an LDC).

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers.

Acronyms used:

ACC	Administrative Committee on Coordination (United Nations)
ADRA	Adventist Development and Relief Agency
ALITE	Augmented Logistics Intervention Team for Emergencies (WFP)
CEC	Commission of the European Communities
CFA	Committee on Food Aid Policies and Programmes (WFP)
CIDA	Canadian International Development Agency
CIN	Committee on International Nutrition
CIS	Commonwealth of Independent States
CLAU	Caucasus Logistics Advisory Unit (WFP)
COMPAS	Commodity Tracking System (WFP)
CP	Country Programme (WFP)
CSB	Corn-Soya Blend
CSN	Country Strategy Note (United Nations)
CSO	Country Strategy Outline (WFP)
DHA	Department of Humanitarian Affairs (United Nations)
DPKO	United Nations Department of Peacekeeping Operations
DPRK	Democratic People’s Republic of Korea



DRC	Democratic Republic of the Congo
ECHA	Executive Committee on Humanitarian Affairs (United Nations)
ECOSOC	Economic and Social Council (United Nations)
EMOP	Emergency Operation (WFP)
EU	European Union
FAC	Food Aid Convention
FAO	Food and Agriculture Organization of the United Nations
FATS	Food Aid Transport System (WFP)
FFW	Food for work
FIVIMS	Food Insecurity Vulnerability Information and Mapping Systems
FMIP	Financial Management Improvement Programme (WFP)
FOB	Free on Board
GIEWS	Global Information and Early Warning System (FAO)
GTZ	German Technical Cooperation
IASC	Inter-Agency Standing Committee (United Nations)
ICRC	International Committee of the Red Cross
IDPs	Internally Displaced Persons
IEFR	International Emergency Food Reserve (WFP)
IFAD	International Fund for Agricultural Development
IFRC	International Federation of the Red Cross and Red Crescent Societies
INTERFAIS	International Food Aid Information System (WFP)
IRA	Immediate Response Account of the IEFR (WFP)
ITSH/LTSH	Internal/Landside Transport, Storage and Handling
JPO	Junior Professional Officer
LDC	Least Developed Country
LIFDC	Low-Income, Food-Deficit Country
M&E	Monitoring and Evaluation
MAP	Management and Appraisal of Performance
MCDU	Military and Civil Defence Unit
MCH	Mother and Child Health
MONUA	United Nations Observer Mission in Angola
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs (United Nations)
OIOS	United Nations Office of Internal Oversight Services



PRO	Protracted Relief Operation (WFP)
PRRO	Protracted Relief and Recovery Operation (WFP)
PSA	Programme Support and Administration (WFP)
SCR	Security Council Resolution
SO	Special Operation (WFP)
SPA	World Food Summit Plan of Action
UN	United Nations
UNCAS	United Nations Common Air Service
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNSECOORD	Office of the United Nations Security Coordinator
UNV	United Nations Volunteer Programme
USAID	United States Agency for International Development
VAM	Vulnerability Analysis and Mapping (WFP)
WFP	World Food Programme
WHO	World Health Organization



Assisting the poor and hungry: Highlights of 1998

75 MILLION BENEFICIARIES

1. The year 1998 was marked by an unprecedented combination of events that pushed up world hunger levels: El Niño caused ravaging floods in Asia, drought in Africa and devastating storms in Central America and the Caribbean; economic crises in Indonesia spawned massive shortages of food and medicine and transformed many middle-class citizens into a new population of hungry poor; a resumption of bitter civil wars in Angola, Guinea-Bissau, Kosovo and Sierra Leone displaced hundreds of thousands of people; and steady, long-term conflict in southern Sudan combined with poor rainfall to once again bring famine to this blighted region.
2. As a result, the number of people fed by WFP in 1998 was the highest in any single year—nearly 75 million. Women and girls accounted for more than half of WFP beneficiaries.
3. Three quarters of these beneficiaries were assisted through relief food aid, almost double the 1997 number—50 million were assisted through emergency operations and 6 million through protracted relief and recovery operations (PRRO). Many of the largest emergency operations were approved in the latter part of the year, and will continue into 1999. Thus overall WFP food shipments in 1998 show only a slight increase over 1997.
4. For the first time for some years, most beneficiaries of relief food (40 million) were victims of natural disasters—droughts, floods and crop failure. Also for the first time for some years, the largest number of recipients of WFP relief food aid were in Asia.
5. Major WFP relief programmes in 1998 included:
 - In *Sudan*, WFP conducted its most extensive humanitarian airdrop operation ever increasing its aid deliveries ten-fold in order to help approximately 1.8 million famine victims in the south.
 - In the *Democratic People's Republic of Korea*, WFP provided food to five million people, including two million children under the age of six.
 - In the largest emergency operation in its history, WFP fed more than 19 million people in *Bangladesh*, which suffered from the worst flooding in more than 100 years.
 - In *China*, WFP launched its first-ever emergency relief operation in the country to meet the acute food needs of 5.8 million people, victims of the country's worst floods since 1954.



Security for Staff Working in High-Risk Areas

The year 1998 was deadly for WFP staff: twelve WFP staff members lost their lives through violence or accidents. Throughout the United Nations, civilian personnel are increasingly becoming targets of violence.

Over the past decade, WFP has lost 47 staff members to murder, genocide or work-related accidents and illnesses. Fourteen died in Rwanda alone, mostly during the wave of genocide that gripped the nation in 1994. The others were killed while on duty in Afghanistan, Angola, Burundi, Ethiopia, Kenya, Liberia, Mali, Pakistan, Somalia, Sudan, Tanzania and Uganda.

In November, WFP dedicated a memorial at its headquarters to honour colleagues who have lost their lives in service to the hungry poor. WFP also marked the International Day of Peace with a memorial mass for staff members killed in the service of the Programme.

Among violent incidents in 1998, an aircraft used by WFP for the Afghanistan earthquake relief operation was fired on when it landed in Faizabad. In southern Sudan, two WFP staff members were forced to flee for their lives when a food distribution site was attacked—the skills they had learned in an earlier security workshop proved invaluable in arranging their safe evacuation. In September, a landmine detonated under a WFP food convoy truck in Rwanda. In Angola, a driver working for the United Nations Observer Mission in Angola (MONUA), died in an ambush on a joint WFP/MONUA convoy in September; on December 26, a MONUA-chartered C-130 aircraft was shot down near Huambo, with the loss of all 14 people on board; a week later a second MONUA-chartered C-130 was shot down, killing nine people, including a WFP flight monitor.

In close coordination with the Office of the United Nations Security Coordinator (UNSECOORD), WFP carried out several evacuations of United Nations and NGO relief personnel during 1998. Two operations in Asmara and Kinshasa resulted in a total of 179 people being evacuated from danger. Staff were also evacuated in Somalia when flood water threatened to maroon them.

"It is an unfortunate reality that the UN flag no longer protects humanitarian aid workers", said the Executive Director. "Not only are UN aid workers unarmed, they are trying to help. As UN representatives, they should be inviolable and any harm that befalls them should be punished with the utmost severity. Authorities in those countries should in turn be made to pay a price if they do not act to end this violence. This is not an easy solution to contemplate but the international community has to begin somewhere because the current situation can't continue."

In response to the increase in violence against its staff members, WFP created a special task force to enhance security measures. WFP will implement a special training programme in 1999 for all staff members. The training, which complements a programme conducted by UNSECOORD, addresses issues such as driving security, field communications, stress management, convoy and airfield security, and first aid.

The task force will also continue to strengthen coordination with UNSECOORD and other United Nations agencies. WFP has already taken the lead in developing minimum security communications standards for all United Nations humanitarian operations, jointly with UNSECOORD, the Office for the Coordination of Humanitarian Affairs (OCHA), UNHCR and UNICEF. WFP has also reached broad agreement with the NGO community to provide assistance on a cost-recovery basis to facilitate the evacuation of NGO staff when necessary.

WFP is dedicated to ensuring that staff are as safe as possible. But host countries must also agree that safety and security is a non-negotiable issue and that WFP will suspend operations in a country if its personnel is placed in extreme danger.

What relief agencies do not want to see happen, however, is a move towards using armed security forces. The use of armed guards blurs the distinction between humanitarian agencies and peacekeeping forces, creating additional problems.

"It is perhaps one of today's saddest ironies that humanitarian relief workers—arguably today's real-life heroes and heroines—now find themselves at greater risk than ever before", said the Executive Director. "We will do everything in our control to protect them so that they can continue to save lives."

- In August, WFP returned to *Indonesia* to assist people hard-hit by a combination of drought and economic crisis.



- In November, WFP was the first relief agency to begin major food distributions to the victims of Hurricane Mitch. In all WFP provided emergency assistance to 1.1 million people in El Salvador, Guatemala, Honduras and Nicaragua, the countries most seriously affected.
6. Whether the recent spate of crises in 1998 was due to El Niño, economic meltdown, or civil strife and war, continued WFP assistance will be necessary to stabilize the situation of the most vulnerable and help the long-drawn out recovery process.
 7. Although WFP's emergency interventions grabbed the headlines, roughly some 830 million people around the world continued to be chronically undernourished as a result of abject poverty. These people are the focus of WFP's development assistance. But the continuing decline in resources for development has had a substantial effect on the ability of WFP's development programme to assist the chronically hungry. At 254 million dollars, operational expenditure for development in 1998 was the lowest for more than 20 years. (Because of a large extra contribution from the United States towards the end of the year, overall contributions for development activities declined only slightly from 1997, but most of these additional resources will only be utilized in 1999.)
 8. Consequently, the number of beneficiaries of WFP development assistance fell dramatically in 1998—to 18.4 million.
 9. Other factors also contributed to the decline in the number of beneficiaries of development assistance, including:
 - the phasing-out of WFP assistance in some countries;
 - the disruption of development work in countries hard-hit by natural disasters; and
 - continuing constraints in national management and technical capacity to implement projects in the poorest countries.
 10. Thus, although total contributions to WFP in 1998 amounted to 1.7 billion dollars, a one-third increase over 1997, this increase was entirely due to contributions to the many appeals for emergency assistance—WFP handled nearly 70 percent of global relief food aid in 1998, up from 60 percent in 1997. The United States was the largest donor, accounting for more than half of total contributions.
 11. Despite the overall increase in contributions, resources did not keep pace with the sharp rise in food aid requirements. Many WFP relief operations were also hindered by resource shortfalls.



WFP in Figures—1998

WFP assisted 74.8 million of the poorest people in the world

- 40.1 million suffered from drought or natural disasters
- 16.3 million people were victims of man-made conflicts
- 18.4 million received development assistance

Total quantities shipped or purchased locally amounted to 2.825 million tons

- 0.773 million tons for development projects
- 1.563 million tons for emergency operations
- 0.489 million tons for protracted relief operations

Total operational expenditure amounted to 1,238 million dollars

- 21 percent of operational expenditure was spent for development activities
- 79 percent of operational expenditure was for relief activities
- 60 percent of operational expenditure for relief and development was in LDCs
- 90 percent of operational expenditure for relief and development was in LIFDCs
- 50 percent of operational expenditure for development was in LDCs
- 89 percent of operational expenditure for development was in LIFDCs

Resource mobilization reached 1,727 million dollars

- 346 million dollars were contributed to development projects
- 1,027 million dollars were contributed to emergency operations (including IRA and Special Operations)
- 322 million dollars were contributed to protracted relief operations
- 32 million dollars were for bilateral and other contributions

Operational activities in 1998

- 19 countries with country programmes, representing an approved resource level of 1.4 billion dollars
- 125 development projects (including activities within approved country programmes) with operational expenditure of 254.3 million dollars
- 60 emergency operations with an operational expenditure of 697.0 million dollars
- 23 protracted relief operations and protracted relief and recovery operations with an operational expenditure of 218.5 million dollars

New commitments approved in 1998

- 8 new country programmes, representing an approved resource level of 214 million dollars and 545,000 tons
- 34 new development projects (including activities within approved country programmes) and 39 budget revisions with commitments of 326 million dollars and 839,000 tons
- 51 new emergency operations, for a value of 1.1 billion dollars and 2,067,108 tons
- 12 new protracted relief operations or protracted relief and recovery operations, for a value of 323 million dollars and 628,573 tons



12. In May 1998, Italian President Oscar Luigi Scalfaro joined WFP Executive Director Catherine Bertini, representatives of the Programme's Member States and of other Rome-based United Nations agencies, and WFP staff at inauguration ceremonies for the new WFP headquarters.

WORLDWIDE OPERATIONS

13. In 1998, WFP provided food aid for interventions in 80 countries. In one other country, WFP provided technical support to the country's own food aid programme.
14. **Sub-Saharan Africa** continued to receive the major share of WFP's assistance—53 percent of WFP's total operational expenditures in 1998. In many parts of Africa, 1998 was a particularly difficult year—because of both natural disasters and civil strife, relief requirements continued to be high, accounting for more than four fifths of WFP's operational expenditures in the region.
15. WFP continued wide-scale assistance to 1.4 million victims of conflict in the **Great Lakes** region (Burundi, the Democratic Republic of the Congo (DRC), Rwanda, Tanzania and Uganda) for the fourth consecutive year. Recurring episodes of instability made humanitarian operations particularly difficult. This was especially true in eastern DRC where humanitarian agencies were obliged to suspend their activities from August 1998, and in Rwanda, where insecurity between August and November led to a five-fold increase in the number of displaced people, to more than 500,000.
16. Devastating floods in January 1998 washed away the main railway line from Dar es Salaam in **Tanzania**, the route for most relief food for Burundi, Rwanda and western Tanzania. Within 30 days, WFP had created a new transport hub in Dodoma, with mobile storage facilities, an independent railway siding and a large parking area for the trucks that had replaced railway wagons from Dar-es-Salaam. Through these efforts, WFP managed to maintain the same flow of freight—15,000 tons per month—without interruption and with no increase in overall transport costs .
17. Hostilities in the **Republic of the Congo** disrupted railway movement from Pointe Noire, where WFP food was stored, prompting WFP to establish a temporary food airlift to Brazzaville, with onward transportation to Kinshasa by barge.
18. WFP's efforts for rehabilitation and resettlement in **Angola** were overshadowed by a resumption of hostilities, and a return to emergency assistance. Of the 350,000 WFP beneficiaries, nearly half were vulnerable groups including orphans, land mine victims and malnourished children.
19. Rehabilitation plans for 1.7 million refugees, returnees and displaced people in the **Liberia region** (Côte d'Ivoire, Ghana, Guinea, Liberia, and Sierra Leone) were also curtailed by a resumption of conflict. Widespread violence in Sierra Leone, which halted all humanitarian work from July 1997 to March 1998, continued to restrict the provision of relief assistance to a handful of areas. Agricultural production throughout the countryside dropped precipitously, and the country will remain dependent upon food aid through 1999.
20. Within Liberia, WFP re-organized the whole transport chain from Monrovia to the various delivery points. Warehouses in the port had to be rehabilitated, and a workshop was set up to maintain the 39 trucks that WFP operates in the country. A large project to rehabilitate roads and tracks was initiated in the north-west of the country, including some 250 kilometres of dry weather roads between Gbanbga and Voinjama/Kolahun. This will



help speed up the repatriation of Liberian refugees, which has been slowed down by the extremely poor state of the country's infrastructure.

21. Civil war erupted in *Guinea-Bissau* in June, displacing 350,000 people, for whom WFP provided emergency food rations. The November 1998 peace agreement allowed limited resettlement and rehabilitation activities to be introduced, including food-for-work to revive basic infrastructure such as sanitation, and school feeding and mother and child health (MCH) activities, that were operational before the conflict.
22. In *southern Africa*, adverse weather conditions, including both drought and floods, reduced food production and necessitated emergency food assistance in Mozambique, Tanzania and Zambia. In Madagascar, crops were decimated by locusts. The Southern Africa Regional Vulnerability Analysis and Mapping (VAM) Unit played a crucial role in helping to better target food aid and, as a result, allowed emergency assistance in the region to be more geared to rehabilitation and recovery, including the provision of "safety nets".
23. On the development side, six country programmes in the region were approved in 1998 (Ethiopia, Kenya, Malawi, Mali, Niger and Senegal), and five Country Strategy Outlines (CSOs) were considered (Burkina Faso, Benin, Chad, Guinea and Uganda).
24. In *Somalia*, civil war and factional fighting compounded the effects of both drought and floods. Drought caused the failure of the 1997 "gu" (July–August) crop in the Bay and Bakool areas, traditionally the bread-basket of Somalia, leading to mass displacement as people searched for food in the lower and middle Shebelle and Jubba areas. Torrential rains in late 1997 and early 1998, the worst in 36 years, further ravaged the country's ability to produce food. The country's import capacity has also been badly eroded by a ban on the export of livestock, a major source of foreign earnings. As a result, an increasing number of Somalis continue to rely on food assistance. The situation is not all bleak, however. Some areas of the country are relatively peaceful, and the remarkable determination of local communities to re-establish a sense of normalcy has enabled WFP to introduce a recovery and rehabilitation programme, including rehabilitation of wells, ponds and irrigation networks, and repair of primary schools and health clinics.
25. About 85 percent of food aid to *Ethiopia* is normally imported through the Eritrean ports of Assab and Massawa. The eruption of hostilities between Eritrea and Ethiopia in May 1998 led food aid shipments for Ethiopia to be switched to Djibouti, resulting in severe congestion of port and transport facilities. WFP increased its storage capacity both within and outside the precincts of the port to speed up ship turn-around time and minimize disruptions to discharge operations. In addition, WFP established a dedicated truck fleet—Food Aid Transport System (FATS)—of between 120 and 250 long-haul trucks (varying according to the demands of WFP traffic) drawn from the private sector to transport relief supplies from Djibouti to destinations within Ethiopia. WFP's storage facilities in Djibouti and FATS were placed at the disposal of all United Nations and other relief agencies operating in Ethiopia, and were used by Euronaid to transship relief food in 1998. An agreement was also formalized with USAID to use the facilities.



Famine Strikes Again in Southern Sudan

WFP launched its largest humanitarian food airdrop operation ever in 1998, when poor harvests and ravaging hostilities in southern Sudan resulted in famine and mass population displacements. Access to the region was limited by government restrictions in the early part of the year, by an upsurge in fighting and by heavy rains, which made many of the already poor overland routes impassable. Nevertheless, WFP was still able to deliver some 116,000 tons of relief food during the year. The United Kingdom and the United States made major contributions to this effort.

The focus of WFP activity was the hardest-hit region of Bahr el Ghazal, with 70 percent of total WFP beneficiaries. A ceasefire agreement in July 1998 enabled WFP to substantially increase the delivery of relief food. At the height of the crisis, between July and September, WFP aid reached 1.85 million beneficiaries.

To cope with an emergency of this scale, WFP established a special task force in July, drawing on WFP staff in country offices and at headquarters. The Task Force brought together experts in logistics, needs assessment, resource mobilization, communications and human resources. It made extensive use of WFP's enhanced communications systems, maintaining daily contact through satellite conference calls with staff on the ground. Donors and implementing partners were kept fully informed through daily information bulletins and monthly reports.

WFP increased its aircraft fleet from five to 18 aircraft to deliver food aid from WFP air bases in Lokichoggio and Nairobi (Kenya) and El Obeid and Khartoum (Sudan). Several European countries provided additional aircraft and technical staff from their air forces. River barges, originating in northern Sudan, and road convoys operating from Koboko (Uganda) and Lokichoggio (northern Kenya) supplemented the air deliveries.

By the end of the year, more than 130 WFP field staff were on the ground, delivering and monitoring food distribution and ensuring appropriate targeting of WFP assistance.

As a result of the relief efforts, the overall nutritional situation improved significantly—an NGO survey found that global malnutrition rates in Ajiep, one of the hardest-hit areas, had fallen from 80 percent in July 1998 to 14 percent by early January 1999. Nevertheless, in some areas, nearly half of all children were still malnourished by the end of the year. Despite the ceasefire agreements, security remained precarious, while flooding and poor ground infrastructure continued to disrupt relief efforts.

The irony is that the October 1998 harvest could have been good, but most of the people displaced by the conflict were unable to benefit, because they had no access to cropland. Thus relief food aid will continue to be required. WFP has initiated projects to rehabilitate roads, railways and barges in the region, to reduce the costs of transporting relief food.

Although drought and floods exacerbated the plight of the population in southern Sudan, the ongoing conflict is at the root of the country's difficulties. "It is the moral responsibility of the authorities to ensure that peace prevails," said the Executive Director in a press statement in December. "This is the only way the Sudanese can possibly regain their strength, and start what will be the long road to recovery."

26. **Asia** continued to contain the largest numbers of recipients of development assistance. However, the largest emergency operations in 1998 were also in the region.
27. Responding to unprecedented floods, WFP provided emergency assistance to 19 million flood victims in *Bangladesh* and 5.8 million flood victims in *China*.
28. In *Afghanistan*, two powerful earthquakes, one in February and the other in June, killed a total of over 9,000 people. Top priority was to provide emergency items and temporary shelter to families who had lost everything, including food stocks buried under tons of rubble and mud. WFP and its relief agency partners, including other United Nations agencies, non-governmental organizations and the International Committee of the Red Cross (ICRC), used helicopters to rescue survivors and transport emergency supplies, such as medicines, tents and blankets to the stricken region.



29. Feeding of refugees and displaced people continued in *Afghanistan, Cambodia, Myanmar, Nepal, Pakistan* and *Sri Lanka*.

Democratic People's Republic of Korea (DPRK)

Since 1995, a series of natural disasters, combined with severe economic difficulties, have had a catastrophic effect on the food supply situation in DPRK. WFP considers the country to be in the grip of a "famine in slow motion"—people try to cope year after year, but many of them do not manage. Most children are in such a precarious position that any illness or food shortage quickly becomes life-threatening.

It is WFP's policy that its monitors have access to food distribution points to ensure that food reaches intended recipients. During an April visit to DPRK, the Executive Director advised government authorities that WFP would be forced to suspend operations in counties where WFP was not allowed to monitor food distribution. As a result, in May, WFP scaled back its operation to 171 of the country's 211 counties.

WFP took this action very reluctantly, as it meant that about three quarters of a million people, mostly women and children, would not receive urgently needed food from the international community. But WFP must be able to assure its donors that the Programme is able to monitor the food aid provided through WFP.

According to the findings of the first-ever nationwide random sample nutrition survey of the country, undertaken by WFP, UNICEF and the European Union in September/October 1998, 16 percent of young children suffer from wasting, or acute malnutrition, and 60 percent suffer from long-term malnutrition. This places DPRK among the countries with the highest malnutrition rates in the world. Unlike most other countries, the malnutrition rate is higher among boys than girls.

Eighteen teams, each led by an international staff member from one of the three bodies undertaking the survey, sampled a total of 3,600 households in 130 counties in eight of the country's nine provinces.

The finding that severe malnutrition is widespread among children at crucial stages of growth, including brain development, is very disturbing, and suggests that the physical and mental abilities of this generation of children will be irretrievably impaired.

By the end of the year, WFP assistance had been provided to more than five million beneficiaries. Resourcing problems impeded some aspects of the operation. Contributions consisted mainly of cereals, and there were severe shortfalls of pulses, oil and blended foods needed to make a more balanced food basket. Nor were high-protein biscuits contributed. These were intended to provide a snack to 1.6 million schoolchildren to help them concentrate and learn. New arrangements have now been made to obtain biscuits from a local factory.

In November, a factory was opened in Pyongyang with WFP assistance to produce a blended food high in energy, protein and micronutrients, for distribution to children. It is estimated that producing blended food locally, instead of importing it, should reduce the cost of supplying this commodity by 20 to 50 percent. WFP provides the basic food commodities—corn, soya and sugar—to the factory, while UNICEF provides the vitamins and minerals required to fortify the blended food. The Government provides the labour, management and energy required to run the factory.

30. Reconstruction activities continued in *Tajikistan*, where a pilot scheme is assisting beneficiaries to grow their own food.
31. Feeding mothers and children at critical times has been a priority for WFP assistance in Asia, through development projects in *Bhutan, India, Pakistan* and *Viet Nam*. In India, a pilot project gave tribal women responsibility for the production and processing of a special blended food using a simple, low cost technology. This initiative has enhanced the skills, confidence and income of the women. In Bhutan, where the mountainous terrain prevents many children from attending school daily, WFP provided non-food items to



improve living conditions in female hostels at boarding schools, to encourage more girls to take advantage of the education facilities provided.

32. In the Vulnerable Group Development project in *Bangladesh*, WFP food aid helps poor women gain skills to become self-reliant. In a new initiative, this project will move to a more area-based approach, through collaboration with IFAD's Smallholder Agricultural Improvement Project, thus providing additional avenues for beneficiaries to improve their food security.
33. At the request of the Government of *Papua New Guinea*, and with bilateral support from the Government of Australia, WFP embarked on its first specific technical assistance intervention. The aim of the project was to strengthen the government's capacity to undertake an emergency food assistance programme for approximately one million people who had lost crops to drought and frost, using food provided bilaterally or purchased by the Government. WFP assistance consisted of a food security economist, a logistics officer and an expert in project design and targeting. These staff members, with the support of the local UNDP office, assisted the Government in conducting needs assessments, formulating distribution plans, and drafting purchase and transport contracts. They also helped national government staff organize the handling of a large bulk food aid shipment.
34. In **Europe and the Commonwealth of Independent States (CIS)**, the emphasis was on strengthening recovery and rehabilitation, preliminary to phasing out WFP assistance.
35. In the *Caucasus*, WFP continued the shift towards recovery, introducing new food-for-work activities, including the repair of buildings and factories, and the rehabilitation of roads, water/sewerage/heating pipelines, and irrigation and drainage canals. The Caucasus Logistics Advisory Unit (CLAU) closed in June after helping revitalize the railway transport system in the region.
36. As part of the phase-out strategy in *Bosnia and Herzegovina*, due in June 1999, WFP continued to focus on rehabilitation activities in order to facilitate the smooth transition of responsibility to the Government's social welfare structure.
37. As the *Kosovo* crisis worsened, WFP established a regional emergency operation to provide food aid to a total of 400,000 refugees and displaced people, many of whom were trapped by fighting in March 1998. The upsurge of fighting at the end of the year forced more people to flee their homes and seek help from humanitarian organizations such as WFP. WFP expanded its office in the Federal Republic of Yugoslavia to manage the Kosovo crisis, in addition to maintaining its programme for refugees in *Bosnia and Herzegovina* and *the Federal Republic of Yugoslavia*.

Nature on the Rampage—made worse by human actions

Three major natural disasters in 1998—in China, Bangladesh and Central America—did more than display the power of nature. They were especially damaging because environmental degradation had made communities more vulnerable. And in each case, it was the poor who suffered most.



In China, continuous rains between March and September resulted in the worst flooding of the Yangtze River region since 1954, causing more than 3,000 deaths, destroying five million homes and dislocating more than 223 million people—one fifth of China's population—in 29 provinces. The floods were deadlier than they should have been because the Yangtze River basin has lost 85 percent of its forests to logging and development. Learning from the disaster, some provinces have now banned logging in certain areas, started reforestation campaigns and shut down timber companies.

In response to the disaster, WFP launched its first-ever emergency relief operation in China—90.9 million dollars of assistance to meet the acute emergency food aid needs of 5.8 million vulnerable people in the most seriously affected provinces. The beneficiaries received free food for the first month. As flood waters receded, they participated in food for work to rehabilitate shelters, restore wells, clear land, de-silt irrigation channels and renovate local farm roads.

In Bangladesh, floods inundated two thirds of the nation for more than two months. The Government estimated that the floods destroyed 300,000 tons of rice, 600,000 homes, and more than 9,000 kilometres of roads and 4,000 kilometres of flood protection embankments.

For the first time since 1989, WFP provided emergency food assistance for victims of a natural disaster in Bangladesh, launching a relief operation valued at 83.7 million dollars for 19 million people left destitute by the floods. In terms of numbers of people assisted, this was the biggest emergency operation in WFP's history.

WFP distributed food through the Vulnerable Groups Feeding programmes of the Ministry of Disaster Management and Relief, giving priority to households headed by women and those forced from their homes by floodwaters.

In November, Hurricane Mitch, described by scientists as the most destructive hurricane ever to hit the western hemisphere, left some 10,000 people dead or missing in Central America, caused economic losses estimated at five billion dollars, and damaged or destroyed between 30 and 80 percent of crops.

The devastation of Hurricane Mitch was severely aggravated by large-scale deforestation and cultivation of marginal lands, which provoked landslides. Lack of adequate watershed management also aggravated flooding. The poor, living in marginal, high-risk areas such as river banks and gullies, bore the brunt of the effects of the disaster.

Within 48 hours of the hurricane striking, WFP distributed in-country food stocks to 125,000 people in Nicaragua, 100,000 in Honduras, 63,000 in Guatemala and 57,000 in El Salvador. WFP was the first relief agency to begin major food distribution to hurricane victims in Nicaragua, thanks to existing stocks originally earmarked for ongoing development programmes.

WFP dramatically widened its food distribution to Central America's hurricane victims with a six-month emergency operation totalling 62.7 million dollars for 1.1 million people. Virtually all of them had lost their homes and their traditional livelihood of subsistence farming, and lacked the cash to buy what local food was available. Without emergency assistance, these people were at extreme nutritional risk.

38. As part of WFP reorganization, the Regional Bureau for the **Middle East and North Africa** was relocated to Cairo in 1998. A major focus of WFP efforts in the region has been to catalyze government policy initiatives to ensure better opportunities for the poor to improve their lives.
39. In poor farming communities in *Egypt*, WFP food aid helped broaden and stabilize agricultural livelihoods and diversify income-earning opportunities. One such project initiated a radical change in government land allocation policy, with the focus shifting from young graduates to landless male and female farmers from the area. The settlement projects in Egypt have also encouraged the development of community participation in decision-making on aspects such as the location of core settlements, construction of roads, allocation of generated funds, and administration of irrigation facilities.
40. In *Yemen*, WFP food aid helped poor households farming in marginal rainfed areas to benefit from local initiatives to enhance food security. Community participation helped plan project activities and target WFP assistance.



41. In *Morocco*, community councils and parent associations became involved in the WFP-assisted school canteen programme as a preliminary step towards the local government and the community taking full responsibility for the school feeding programme.

WFP and the “Oil-for-Food” Agreement

United Nations Security Council resolution 986 (SCR 986) allows Iraq to sell oil to purchase food and other humanitarian supplies. WFP has played a major role in the oil-for-food agreement by observing the efficiency, equity and adequacy of the Government’s food distribution to 22 million people throughout the country. In the three northern governorates of the country, WFP undertakes the distribution of food to more than three million people.

During 1998, WFP employed 27 international observers and over 200 national observers to oversee the distribution of 4.76 million tons of food. In all, WFP made more than a quarter of a million observations countrywide during the year, including 5,600 visits to food storage facilities, 75,000 checks of food and flour agents, and 160,000 household spot-checks.

Although the general food ration to be provided under the oil-for-food agreement should be sufficient to meet the nutritional needs of every citizen, early distributions were erratic, and it was not until the second half of 1998 that every household in Iraq was receiving a complete—or near complete—food basket. Consequently, a WFP emergency operation helped to fill the gap until the food distribution system was working properly, targeting vulnerable groups who had not received their full ration. As more people have received their full food basket, WFP has gradually reduced this emergency operation, focusing on families with malnourished children under five years of age and on patients in hospitals or social institutions—still more than one million people—in preparation for the introduction of a PRRO in 1999.

Despite the improvements in the overall food situation, a review of the effectiveness of the early phases of the oil-for-food programme undertaken by the United Nations Secretary-General in January 1998 concluded that the deteriorating infrastructure in Iraq, particularly health and sanitation, had resulted in a general decline in the well-being of the Iraqi people. The Secretary-General recommended an increase in the amount of oil Iraq could sell every six months under the oil-for-food agreement, from 2.14 billion dollars to 5.25 billion dollars. This recommendation came into effect in June.

However, because of low world oil prices and lack of pumping capacity, Iraq was only able to export just over three billion dollars’ worth of oil in the second half of 1998—far short of the approved 5.25 billion dollar ceiling. In the meantime, the seriousness of the situation for many Iraqis was highlighted by a nutritional survey conducted by UNICEF and the Ministry of Health in October 1998, which found continuing high levels of malnutrition, especially among children under five years of age, with no improvement in the nutritional status of infants despite the increase in food availability. This was mainly due to a lack of resources to improve water and sanitation services, health facilities, education and electrical power—all factors important for improved nutrition.

42. In *Gaza and the West Bank*, WFP assistance provided nutritional support to women and children.
43. Government policy changes were also achieved within the region to improve the social and economic status of women. These included:
- modifications to criteria on credit eligibility to favour women participating in WFP-assisted projects in *Syria*;
 - waiving of landholding size requirements to help poor women participate in land reclamation projects in both *Jordan* and *Syria*; and
 - ensuring that spouses (usually women) gain a share of land allocations in settlement schemes in Egypt.
44. Relief activities represented an increasing proportion of WFP assistance in the **Latin America and Caribbean Region**, rising from two percent of operational expenditure in



1996 to 18 percent in 1998. The Regional Bureau for the Latin America and Caribbean Region was relocated to Managua in 1998. The decentralized bureau was well placed to enable WFP to respond swiftly to the disasters caused by El Niño.

45. When Hurricane Mitch hit **Central America** at the end of the year, WFP was already implementing a regional emergency operation for families affected by drought caused by El Niño. Commodities from this emergency operation and from development projects in the countries concerned permitted WFP to start immediate food distribution to the victims of the catastrophe. WFP also immediately purchased food locally, using the Immediate Response Account (IRA) facility. In addition, 10,000 tons of bulk maize was shipped to Puerto Cortes, **Honduras**. Since the port is not accustomed to handling such huge bulk shipments and has no bagging equipment, WFP sent portable bagging units with the vessel, enabling it to start discharging immediately on arrival.
46. In consultation with its nutrition specialists, WFP devised a food basket for the victims of Mitch specifically adapted to local customs, comprised mainly of rice, maize, canned fish and vegetable oil.



Progress in 1998

FOCUS ON COUNTRIES WITH THE GREATEST NEED

47. WFP aims to have at least 90 percent of its operational expenditure for development in low-income, food-deficit countries (LIFDCs); least developed countries (LDCs) are to receive at least 50 percent of the total operational expenditure for development. In 1998, the target of 50 percent of operational expenditure for development in LDCs was met, and 89 percent of operational expenditure for development was in LIFDCs.

Targeting resources to the poorest beneficiary groups—VAM and FIVIMS

48. The WFP Vulnerability Analysis and Mapping (VAM) Unit provides food security analysis in 40 countries. The principal objective of VAM is to improve the targeting of WFP food aid by better understanding the dynamics of food security and vulnerability to food insecurity.
49. The World Food Summit Plan of Action calls for national “food insecurity and vulnerability information and mapping systems” (FIVIMS), to help identify areas and populations affected by or at risk of hunger and malnutrition. The main purpose of national FIVIMS is to provide feedback to policy-makers and members of civil society concerned with food security issues in their country. National FIVIMS can also help to monitor progress towards meeting the global targets set at the World Food Summit.
50. WFP has participated in the Inter-Agency Working Group on FIVIMS, established to develop the overall policy for FIVIMS, and, along with FAO, has funded technical support for FIVIMS-related activities. At WFP’s suggestion, and with WFP financial and technical participation, the Working Group will undertake a practical exercise in Ecuador in 1999. WFP is also leading FIVIMS-related activities in China. WFP regional VAM offices include FIVIMS-related activities in their work plans.
51. The analytical work undertaken by WFP’s VAM units helps the Programme develop a typology of food-insecure households, and design food aid interventions that better address their needs. The main activities of a VAM unit are:
- Collecting and managing food security data, usually from existing data sets, but occasionally by commissioning special studies
 - Designing analytical frameworks, methodologies and tools for the accurate analysis of food security
 - Developing human and institutional capacity required to sustain such data collection and analysis activities in WFP and host government institutions
 - Integrating VAM analyses into food security programming: assist WFP staff, donors and recipients to better understand and integrate the results and implications of food security analyses into the design and implementation of food assistance activities.



52. The VAM project in Afghanistan has produced the first economic map of the country, identifying the relative vulnerability of different economic areas to food insecurity. As a result of this work, there is now a better understanding of which areas of Afghanistan are most in need of WFP assistance and a better knowledge of the people who are most vulnerable, along with the causes of their vulnerability. The VAM work has also enabled the WFP country office to refine the criteria used to target food aid, and assess more accurately the tonnage of food required—both under stable conditions and in emergency situations—to guarantee food security.
53. As part of the collaborative WFP/IFAD development project in China, VAM helps identify the most vulnerable regions, and the factors that contribute most to that vulnerability, thus improving the targeting of the assistance programme.

Executive Board Members See WFP in Action

In 1998, members of the Executive Board visited Ethiopia, Guatemala and Nicaragua to see for themselves the way WFP project activities, mostly in development, are being executed.

The members were impressed with the quality of the projects visited, and the capacity of food aid to make a valuable contribution to overcoming problems of food insecurity. They noted the dedication and enthusiasm of WFP country office teams regarding the very real challenges faced in the practical implementation of WFP's policies and programmes, and the commitment of Government authorities at all levels to successful project implementation, together with their high degree of professionalism. The members stressed the need for cooperation and coordination of the various actors, specifically at the field level, for effective results.

The visit to Central America coincided with Hurricane Mitch, giving the group an unintended but invaluable insight into how WFP responds to such sudden emergencies. In light of the impact of the hurricane, the members suggested that consideration be given to incorporating measures into development projects that would provide some kind of in-built flexibility to enable disaster preparedness and mitigation.

IMPROVING OPERATIONAL EFFECTIVENESS

From crisis to recovery—a new approach

54. WFP's experience in protracted or complex emergency situations has demonstrated that traditional relief responses—treating a crisis as an abnormal short-term event distinct from development—are often inadequate to fully address the needs of people trying to secure their livelihoods in a crisis. Once the immediate goal of saving lives has been met, WFP assistance should focus on assuring longer-term food needs by introducing development activities to support humanitarian efforts. Protracted Relief and Recovery Operations (PRRO), a new programme category introduced in 1998 to replace the PRO programme category, emphasize the importance of moving as quickly as possible from relief to rehabilitation, reconstruction and sustainable recovery.
55. Planning for recovery should begin during the emergency phase. The introduction of development activities as early as possible into crisis interventions better responds to the needs of beneficiaries, and can reduce dependence on food aid, encourage local production and help regenerate food markets. A distinctive feature of PRROs is that expectations,



standards and impacts of development activities begun during recovery must be modest and situation-specific, reflecting the uneven nature of transition from relief to development.

56. In recovery and protracted relief situations, it is essential to develop partnerships to improve the link between relief and development efforts.
57. In 1998, the first three PRROs—in Afghanistan, Cambodia and Nepal—were approved. Afghanistan exemplifies how the PRRO approach provides the flexibility needed in situations of instability and constant change. Two independent scenarios were proposed, depending on the prevailing security and human rights situation: relief with limited recovery, and relief with a stronger recovery component. In the first scenario, the main emphasis would be on the provision of life-saving support to vulnerable groups; the only recovery element envisioned is the repair of potable water systems, using food for work. In the second scenario, more emphasis would be given to food-for-work, food-for-seed and food-for-training components, which promote the socio-economic recovery of rural populations.
58. Cambodia illustrates the different types and longer-term nature of activities required to re-establish livelihoods in a recovery situation. A major component of this PRRO involves using food for work to rehabilitate and develop community infrastructure, village wood lots, farms and seed banks—the food aid will help prevent recurrent food shortages. Other village-based activities provide immediate relief from hunger and protect vulnerable livelihoods from declining further. An interesting example of this PRRO's long-term focus is that beneficiary communities must first agree to maintain the assets constructed through food for work for two years, thus increasing the durability of improvements.

WFP policy on environment

59. Environmental degradation contributes to food insecurity by undermining the natural resource base on which poor rural communities depend for their livelihoods. WFP has taken a number of initiatives to address environmental concerns in both its relief and development interventions, including collaboration with UNHCR in 1998 to identify sustainable environmental management practices in areas hosting large numbers of refugees.
60. On the basis of these experiences, WFP has adopted a policy to ensure that environmental issues are systematically considered in the design and implementation of all interventions and programmes.
61. WFP's environmental policy identifies the main elements required for formulating an environmentally sound programming response. These include:
 - Ensuring that the energy and environmental implications of the WFP-provided food basket are taken into account. For example, assessing the fuel requirements to cook different types of foods when determining the composition of the food basket and identifying mitigation measures (such as providing cooking fuel or training in fuel-saving techniques) to help reduce the rate of deforestation.
 - Undertaking environmental reviews in selected types of interventions. Environmental reviews will be required for development activities implemented in the areas of natural resources or creation of assets, such as road improvements, irrigation and water works. Technical assistance will be sought from government counterparts, NGOs and staff of specialized agencies.



- Ensuring sound procurement, storage, use and disposal of hazardous chemicals required for WFP operations. WFP will minimize or, where possible, phase out the use of the most hazardous chemicals, including certain pesticides and fumigants. Work has been undertaken in collaboration with FAO and WHO to identify best practices for the use of hazardous chemicals.
- Developing partnerships to effectively strengthen WFP's capacities to address environmental issues.

Food aid and development review

62. In January 1998, WFP embarked on a major policy review of development food aid to clarify the particular advantages of food aid and to arrive at a clear focus for WFP development assistance. The outcome of this review, which will not be finalized until mid-1999, will be a shared understanding among Member States, donors and the WFP Secretariat of the most effective uses of development food aid.
63. The review is being conducted in a fully open and consultative manner. The first of three major consultations was held in October 1998, when WFP invited nearly 150 participants from governments, aid agencies, northern and southern NGOs and academic institutions to Rome to consider the role of food aid in development. The keynote address, by the First Lady of El Salvador, Mrs Elizabeth Aguirre de Calderón Sol, Secretary-General of the State Department for Family Affairs, was followed by presentations from eminent scholars, WFP's key partners, FAO and IFAD, and NGOs such as CARE International. A series of background documents on current thinking about development assistance, the development process and food aid was prepared for participants. These have now been posted on the WFP website (www.wfp.org).

Preparedness, contingency planning and stand-by arrangements

64. WFP's VAM units have played an increasingly important role in the process of contingency planning, in particular with respect to anticipated extreme weather conditions resulting from El Niño. In southern Africa, the emphasis was on building staff capacity to use vulnerability analysis and periodic early warning information to develop region-wide contingency planning. In addition, regional networks have been developed with key partners to maintain and update information on the seasonal situation, expected weather patterns, policy initiatives and the potential role of food aid.
65. The Augmented Logistics Intervention Team for Emergencies (ALITE) continued to be active in WFP's preparedness, contingency planning and stand-by arrangements in 1998. The Danish Refugee Council provided a Port Logistics Officer for DPRK, to assist local port authorities in managing the large quantities of food aid shipped to the country, and two telecommunications experts to help overcome communication difficulties in the Horn of Africa. The Danish Trust Fund paid for Port Captains in Bangladesh, DPRK, Honduras, Liberia, Sierra Leone and the Federal Republic of Yugoslavia to strengthen the capacity of ports in these countries to discharge large amounts of food aid in particularly difficult conditions. The Norwegian Refugee Council provided air coordinators—who gave critical assistance in Sudan during the peak of airlift operations in August 1998—radio technicians to improve security systems in Liberia and Sierra Leone, and a workshop manager for trucking operations in both countries. The Swiss Disaster Relief Agency supplied a Logistics Officer for the Liberia operation, and completed a technical road assessment in support of the Special Operation to rehabilitate roads in Liberia for easier flow of food aid.



Race Against Time in Afghanistan

As Afghanistan braced itself for winter, WFP, several NGOs and survivors of the May 1998 earthquake in the north-eastern corner of the country congratulated themselves on having won a race against time to put the finishing touches to more than 14,000 new, earthquake-resistant homes.

The house-rebuilding project, which began in July, was carried out in the remote, mountainous regions of Badakshan and Takhar provinces across a 1,750 square kilometre area devastated by the 31 May earthquake.

In a strategy designed to keep men from leaving the area to seek work to support their families, WFP initiated a food-for-work programme to pay the men to reconstruct their homes. NGOs, including OXFAM, Pamir Reconstruction Bureau, Concern, Norwegian Afghan Aid and Swedish Afghan Committee, worked on the house reconstruction project with WFP and the United Nations Humanitarian Coordinator's Office, providing tools and technical expertise.

Even though winter was unusually late in 1998, there was no time for villagers to reconstruct their traditional household compounds. To convince them to build instead single-room mud-and-beam houses—designed to withstand strong tremors without collapsing immediately—took time and effort.

United Nations international staff members have been withdrawn from Afghanistan because of continuing security concerns. WFP contracted the French NGO ACTED to help with the wheat delivery from warehouses in Tajikistan, where WFP commodities for Afghanistan are stored. It was floated on barges across the Amu Darya River, and trucked to Rustaq and Faizabad. Donkeys then carried it in 50-kilogram bags to dozens of remote villages. To make matters worse, fighting between the Taliban and northern opposition forces came as close as 30 kilometres while work went on. WFP wheat was also used through food-for-work to rebuild an essential road between two areas of earthquake damage—Rustaq and Shar-I-buzurg.

66. Two WFP staff members participated in Exercise TRIPLEX '98. The original concept of this exercise was to test the cooperation of three agencies—the United Kingdom Department for International Development (DFID), the Danish Emergency Management Agency (DEMA) and the Swedish Rescue Services Agency (SRSA)—in their response to international humanitarian relief operations. The exercise was later expanded to include other agencies, and in 1998 it included the Norwegian Directorate for Civil Defence and Emergency Planning, the British Army Civil Affairs Group, the International Federation of the Red Cross and Red Crescent Societies (IFRC), and the United States Office of Foreign Disaster Assistance, as well as WFP. The exercise simulates the entire emergency response chain, from public affairs statements to staff resourcing and mobilization. Participation gives WFP emergency staff, logistics experts and resource personnel the opportunity to train alongside staff of other United Nations, government, military and civilian agencies.
67. The WFP/United Nations Volunteer (UNV) Rapid Deployment Facility, funded by voluntary contributions to the UNV Programme to provide volunteers to WFP relief operations, played a crucial role in supporting WFP's rapid response capacity in 1998. Seventeen UNVs were deployed in Bosnia and Herzegovina, Côte d'Ivoire, DPRK, El Salvador, Guatemala, Guinea, Honduras, Liberia, Nicaragua, Tajikistan and Yemen.
68. WFP assisted the Office for the Coordination of Humanitarian Affairs (OCHA) in setting standard guidelines and procedures to establish a Military and Civil Defence Unit (MCDU) Air Cell. The Air Cell will be used by all United Nations agencies whenever they wish to request additional aircraft and aircraft-related assistance from military airforces to help with relief work.



Evaluations of emergency operations

69. Evaluations of emergency operations in 1998 have emphasized the importance of introducing a scaling-down or phasing-out strategy as early as feasible. In the case of slowly evolving emergencies, such as droughts, the evaluations suggest that it might be possible, and desirable, to incorporate a strategy for an ordered phase-down and phase-out in the initial design of the emergency operation. The strategy helps governments prepare for meeting the needs of disaster-affected people. It also helps avoid the impression that WFP, along with other providers of assistance, will assume indefinite responsibility for the social welfare of poor people.
70. The evaluations also noted that funding to maintain monitoring systems in relief situations was often less readily available after the immediate crisis period had passed. Yet monitoring should become more sophisticated as the emergency evolves away from acute crisis, to allow more careful targeting of assistance and so reduce the danger of dependence, and to facilitate the transition to recovery activities.
71. In the case of complex emergencies involving a number of United Nations agencies, the evaluations stressed the importance of maintaining close coordination among the different agencies. Examples of good coordination included the joint use of personnel and equipment, shared telecommunications systems, the use of common warehouses and offices, and combined logistics arrangements. Where such coordination has worked well, the different responsibilities of each of the agencies concerned were clearly defined from the outset. This was particularly true in situations where national or international NGOs were operating in the same regions as WFP.
72. Evaluations of emergency operations in conflict areas confirmed that the safety and security of staff was of the highest importance. The evaluations suggested a number of measures to assist staff facing conflict-related risks, including:
- training in security issues for staff (this was initiated in the course of the year);
 - careful screening of candidates for posts in high-risk locations;
 - efficient communication systems in conflict areas;
 - regular updating of contingency and evacuation plans;
 - close coordination of security arrangements with other agencies.

Advocacy, media and public campaigns

73. A significant role for WFP is to speak on behalf of the hungry poor. Through advocacy campaigns, WFP strives to enhance its effectiveness by:
- promptly alerting donors and the public to impending and developing crises;
 - encouraging others to listen and respond to the issues of concern to WFP.
74. WFP's advocacy strategy is based on two key components. The first is the use of all basic news media outlets, such as television, newspapers, radio, wire services and the Internet. The aim is to focus international attention on major humanitarian crises and inform the public of WFP's role, such as in DPRK: throughout the year, WFP briefed the international community and media on the alarming situation in the country and the continuing need for massive relief assistance.
75. WFP also launched campaigns to highlight the humanitarian crises in Central America, Bangladesh and China. With videos taken by WFP staff, as well as the presence of public



information officers at the scene of these disasters, WFP was able to illustrate the severity of the crises and alert public opinion—a key element in strengthening international donor support.

76. The second major component of WFP's strategy is the implementation of a focused public-awareness campaign. WFP commissioned an advertising agency to create a series of *pro-bono* advertisements around the theme of "Fast Food". Copies of these advertisements were distributed in Australia, France, Germany, Italy, Japan, Spain, United Kingdom, United States, Norway and Sweden. Publications such as *The Economist*, *The Financial Times*, *The Wall Street Journal Europe*, *Business Week*, *El Mundo*, *Epoca*, *Selecciones Readers Digest*, *Der Spiegel*, *Private Eye*, *Daily Mail* and *Avvenimenti* have carried the advertisements.
77. WFP also developed a series of television commercials, carried free of charge on major international broadcasting outlets, such as CNN and EuroSport, and on national television networks in Austria, Canada, Denmark, France, Germany, Ireland, The Netherlands, Norway, Spain, Sweden and Switzerland.

Enhancing operational partnerships

78. The strengthened collaboration of the three Rome-based United Nations agencies—FAO, IFAD and WFP—was publicized in the 1998 booklet *FAO, IFAD, WFP—Working Together to Fight Hunger and Poverty*. The complementary mandates of the three agencies—emphasizing respectively technical expertise, international financial assistance and food aid—ensure that, working together, the overall impact of operations are greatly enhanced. Tripartite meetings are held regularly at both policy and technical levels to determine modalities for mutual cooperation and to agree on specific areas and programmes for further follow-up and joint or parallel operations. WFP, FAO and IFAD are also key supporters of FIVIMs.
79. Preparatory work was undertaken in 1998 on a formal agreement between WFP and FAO to improve collaboration in the areas of food security and provision of assistance for relief and recovery.
80. Following the 1997 revised Memorandum of Understanding (MOU) between WFP and UNHCR, joint WFP/UNHCR workshops were conducted in 1998 for WFP Representatives/Country Directors and UNHCR Representatives from countries where there are joint refugee operations. The workshops enabled sharing and review of experiences in implementing the MOU, including issues relating to:
- the roles of government and refugees in food management and distribution;
 - improved needs assessment;
 - new approaches to registration and enumeration of refugees;
 - problems in effectively targeting vulnerable groups;
 - resourcing of food and sharing of information on the food pipeline;
 - designing repatriation or exit strategies.
81. An MOU between WFP and UNICEF, signed in 1998, provides an operational framework for emergency interventions where the two organizations work together. In emergencies, WFP and UNICEF are committed to strengthening and sustaining the capacity of households to meet basic needs for food, care of children and women, health services, water and sanitation. The MOU builds on the comparative advantages of each



organization and establishes operational modalities clarifying respective responsibilities to maximize the benefits of collaboration, including:

- needs assessment, monitoring and evaluation;
- provision of food and non-food items;
- water supply and sanitation;
- health and education services;
- rehabilitation;
- logistics;
- public information and advocacy;
- joint staff training.

82. In many relief operations, WFP provides logistics services to partner agencies and NGOs. In Angola, WFP continues to provide logistics services to United Nations and NGO agencies active in the country. A cargo aircraft sharing arrangement was developed with the United Nations Observer Mission in Angola (MONUA), enabling savings through improved economies of scale. The United Nations Common Air Service (UNCAS), operating out of Nairobi, achieved an estimated 20 percent savings through joint contracting for air freight services.
83. NGOs are important partners for WFP. A 1998 survey found that WFP works with more than 1,100 NGOs worldwide, of which 250 are international and the rest national and local NGOs. This is a nearly fourfold increase in ten years. Because working with a national NGO often also develops national capacity, WFP gives priority to southern partners, sometimes helping to improve their managerial and implementation capability.
84. Nearly every WFP country office collaborates to some extent with NGOs, although some stand out. The Bangladesh country office works with 413 local organizations, while the Cambodia office works with 134. Three quarters of all development projects and four fifths of relief operations include partnership arrangements with NGOs, with NGOs often acting as WFP's main implementing partner. The survey found that WFP offices generally considered that the quality of collaboration with NGOs had improved over recent years.
85. Twenty-one of WFP's major NGO partners participated in the fourth annual WFP/NGO Consultation, held in October 1998. The main themes discussed were:
- ways to improve collaboration. Collaboration should begin at the planning and programming phase. The potential for joint advocacy campaigns, either on country-specific activities or on broader policy issues such as the use of micronutrients, was noted.
 - the reimbursement of NGO costs. WFP agreed in principle to cover the off-shore overhead costs of NGOs, although specific details are still to be defined.
 - food aid needs assessment methodologies.
 - a preventive strategy to enhance the security of field staff. NGOs welcomed the idea of WFP providing assistance on a cost recovery basis to facilitate the evacuation of NGO staff members.
86. An important tool to strengthen working partnerships has been the development of MOUs between WFP and major NGOs, which establish a clear division of tasks and responsibilities. Two new MOUs were signed in 1998, one with the Italian NGO



Movimondo Molisv in June and the second with the Lutheran World Federation in August. An exchange of letters also took place with Caritas. WFP now has MOUs with 13 of its largest NGO operating partners. Also in 1998, a standard tripartite agreement was finalized between UNHCR, WFP and NGOs for the distribution of WFP food to refugees.

87. WFP also calls on NGOs in other ways. For example, the WFP nutritional guidelines, which came into effect in 1998, were prepared in close consultation with four NGOs—Action contre la faim, Concern, Médecins sans Frontières and Save the Children (UK). For some years, WFP has been working closely with Save the Children (UK) in southern Sudan to develop the Household Food Economy Analysis approach to improve targeting of relief food aid. This work has now been extended to Ethiopia and the Great Lakes region. In other countries, WFP has designed and implemented joint training sessions on gender—CARE has often been a major partner in these.

Community Nutrition Project in Senegal: WFP, World Bank and NGOs in Partnership

The Community Nutrition Project in Dakar is a good example of how WFP works in partnership with other development agencies. The project was designed as a joint activity of WFP, the World Bank, German Technical Cooperation (GTZ) and the Government of Senegal. The project is being implemented by private sector agents, with the direct involvement of the community, to improve the nutritional status of some 64,000 malnourished young children and 42,000 pregnant and nursing mothers in poor neighbourhoods of Dakar. Beneficiaries receive nutrition, health, hygiene and sanitation education at community nutrition centres, along with growth monitoring and referral to health centres. Malnourished children and mothers at risk receive a nutritional supplement of micronutrient-fortified weaning food provided by WFP. In addition, the nutrition centres are used in a literacy campaign and preparations are under way to introduce skills training for women.

WFP assisted the development of local weaning-food production with technical assistance and provision of appropriate equipment. The weaning food uses a mix of locally produced and imported food commodities to provide the essential nutrients for these vulnerable groups.

The nutrition centres are staffed by local NGOs, recruited from the community, whose salaries are funded from World Bank loans, provided to the Government to improve the health infrastructure in Senegal.

Progress on WFP's Commitments to Women

88. Because hunger and poverty affect women disproportionately, and women are critical to the solution of both, WFP launched a set of strong policy Commitments to Women at the 1995 Beijing Conference for the years 1996–2001. They set specific targets for the Programme in terms of women's involvement in food aid and improved food security, including:

- 80 percent of relief food aid should be distributed directly to women;
- 60 percent of all WFP resources should go to women and girls in those countries where gender statistics demonstrate a 25 percent disadvantage (gender gap) for women compared with men;
- 50 percent of education resources should benefit girls;
- at least 25 percent of food-for-work and food-for-training assets should benefit women;
- women should take a lead role in decision-making in food management committees;
- WFP should aim for gender equity in staffing;



- staff and implementing partners should be held accountable for achieving these commitments.
89. In 1998, WFP allocated one million dollars from the Programme Support and Administration (PSA) budget, in conjunction with a special pledge of a further 500,000 dollars from the Government of Finland, to encourage greater attention to mainstreaming gender within WFP-supported activities.
90. A mid-term review commenced in 1998 to determine if the mechanisms put in place to implement the Commitments to Women were sound. One of the major findings was that, while Gender Action Plans have been prepared in most countries, and there has been a steady improvement in their quality, greater emphasis was still required on analysing the causes of inequality. Furthermore, attention to the empowerment of women through WFP interventions (as distinct from promoting women's projects) and development of a more strategic approach to addressing gender, taking into account the national context in which WFP assistance is provided, both needed improvement.

The Sphere Project—bearing fruit

The Sphere Project is an initiative of the international NGO community and IFRC. With the participation of agencies from the United Nations and donors and academic institutions, the first phase of the Project's task was completed with the 1998 publication of a preliminary handbook containing the Sphere Humanitarian Charter and Minimum Standards in Disaster Response.

The handbook includes an overarching Humanitarian Charter drawn from existing international law. The Charter provides the basis for the minimum standards in disaster response that the humanitarian system should strive to uphold in all emergency situations.

The set of minimum standards in core areas of humanitarian assistance are designed to maintain the quality of assistance provided to people affected by disasters, and to improve the accountability of agencies to their beneficiaries, their membership and their donors.

WFP has played an active part in the Project's work, particularly in the Working Groups developing minimum standards on nutrition and food aid. The WFP/UNHCR Guidelines for Estimating Food and Nutritional Needs in Emergencies have been fully accepted as the Sphere standards.

Procurement of food and non-food items

91. For the past few years, nearly half of the food aid provided by WFP has been purchased—and more than one quarter of all food provided by WFP is purchased in developing countries.
92. In 1998, food purchases amounted to 247 million dollars. In terms of value, this was down from previous years, but food purchases still accounted for 42 percent of all WFP deliveries.
93. As in previous years, 60 percent of food purchases (worth 148.5 million dollars) were made in developing countries, particularly Thailand (27.2 million dollars), Republic of South Africa (21.8 million dollars), India (16.5 million dollars), Uganda (13.5 million dollars) and Nepal (8.7 million dollars). For the first time, large purchases were also made in Bulgaria in 1998 (17 million dollars).
94. WFP spent approximately 18 million dollars in 1998 on non-food items, including some 4.5 million dollars of purchases made by country offices. The main expenditure was for fuel (6.6 million dollars), vehicles (3.1 million dollars), stores and warehouses (900,000



dollars), computers and other data processing equipment (700,000 dollars), railway equipment (700,000 dollars), agricultural tools (600,000 dollars), kitchen equipment (500,000 dollars) and equipment for boats and barges (500,000 dollars).

PROCESS OF REFORM

Implications of United Nations reform for WFP

95. WFP is an active participant in the process of reform initiated by the Secretary-General in order to enable the United Nations system to more effectively address the development and humanitarian challenges of the 21st century. WFP contributes to strengthening the policy coherence of United Nations interventions, and the promotion of a more unified United Nations presence at the country level, through its active participation in the United Nations Development Group (UNDG), the Executive Committee on Humanitarian Affairs (ECHA) and the Inter-Agency Standing Committee (IASC).
96. The United Nations Development Assistance Framework (UNDAF) is a key component of the Secretary-General's reform programme. UNDAF has been introduced to promote a country-driven, collaborative and coherent response by the United Nations system to national priorities, implement the goals agreed at United Nations global conferences, and serve as the strategic framework for the country programmes, plans and projects of participating United Nations organizations. In 1997, a pilot phase was initiated to test the operationalization of UNDAF in 18 countries: by the end of 1998, UNDAFs had been completed in 11 of the 18 countries.
97. WFP participated in the formulation of the provisional UNDAF Guidelines and the joint assessment of the pilot phase. A United Nations system-wide training session was held at WFP headquarters in March 1998, attended by staff from 17 different agencies, including WFP.
98. At country level, WFP is an active participant in the UNDAF process in the pilot countries where WFP has development operations. WFP participates in technical working groups and thematic groups established to support the UNDAF process, usually chairing the thematic groups on disaster management.
99. The introduction of UNDAF has imposed considerable extra burden on country office staff time. At the same time, WFP has noted several benefits of the UNDAF exercise, including:
 - enhanced dialogue, information sharing and mutual understanding among participants;
 - increased willingness by agencies to collaborate in areas of common interest (e.g. child nutrition, food security, rural development);
 - availability of common databases, common indicators and assessments, which support the preparation of Country Strategy Outlines (CSOs) and Country Programmes.
100. WFP has been a strong advocate of strengthening the Resident Coordinator System, presenting a special agenda (entitled "Issues related to the implementation of agreed mechanisms to improve the Resident Coordinator System") to encourage this process. Together with other UNDG members, WFP has contributed actively to implementation of the various measures to strengthen the Resident Coordinator System, including:



- a sharp increase in the number of Resident Coordinator posts filled with individuals coming from agencies, funds and programmes;
 - development of a competency assessment process for Resident Coordinators, to be designed and managed as an inter-agency process;
 - ensuring that professional experience with other United Nations entities, including service as United Nations Resident Coordinators, is recognized as a strong factor in career development and advancement;
 - preparation of standard Terms of Reference for Resident Coordinators, separate from the UNDP Resident Representative.
101. WFP has made available qualified staff to take up Resident Coordinator positions, and WFP staff have been instructed to assign top priority to supporting Resident Coordinators.
102. Although considerable progress has been made, it is WFP's view that much still remains to be achieved, including a better gender balance, increased selection of Resident Coordinators from organizations other than UNDP and the introduction of different models of the Resident Coordinator System in different countries.
103. Further information on the implications of the United Nations reform process for WFP activities is contained in document EB.A/99/3-A/2.

Progress on WFP organizational change

104. In 1996, the Executive Director began a programme of organizational change, involving a fundamental shift of decision-taking and functions to the field. While it will take some time before these organizational changes have their full effect on operational performance, a 1998 review of the organizational change process found that:
- WFP staff recognised the Programme's clear and unequivocal commitment to the change management process;
 - there was significant ownership of the change management process throughout the Programme, grounded in the engagement of staff in the process from the outset;
 - WFP staff understood that moving forward involved a range of difficult trade-offs—striking the balance, for example, between ensuring staff had the necessary tools to do the work and be held accountable, and deferring implementation until all the desirable tools were in place;
 - there was an informed attitude on the part of managers as to their increased authorities, and an understanding of the need for normative guidance, along with the information and communication systems to support the delegated authorities.
105. Organizational change is an ongoing process. Among the areas already identified for future action are:
- finalizing and issuing updated normative guidance for WFP staff, particularly in the area of programme design and implementation, procurement, administration and personnel. The Transport and Logistics Manual was finalized in 1998, and work commenced on the Programme Design Manual and the first WFP Internal Audit Manual;
 - improving internal communications, to allow increased decentralization of many management functions;



- appropriate new staff skills and training will be required to ensure that the information collection, management and exchange systems developed under the Financial Management Improvement Programme (FMIP) are used to their full potential.
106. A Change Management Oversight Group, established in 1998 at executive staff level, will help to institutionalize the process of organizational change.

Empowering country offices

107. The Connectivity Project, which began in late 1996 to support WFP's decentralization process, had as its goal the installation of a corporate-wide area network to provide e-mail and remote data services to all country offices. By the end of 1998, more than 90 percent of all WFP offices had been brought "on-line", able to connect with headquarters and each other through e-mail and file exchange. Each office is also able to make use of corporate software applications. As a result, country offices will be able to enter financial transaction data directly into the computer system, instead of sending a hard copy to be entered into the computer systems at headquarters, a slow and time-consuming process.
108. In late 1998, a related project started to further upgrade country office communications capabilities. The three-million-dollar Enhanced Telecommunications Network Project (ETNet) will develop satellite telecommunications systems to further improve WFP's communications network, especially for offices operating in remote areas with limited infrastructure.

The Year 2000 (Y2K) project

109. The year 2000 (Y2K) problem stems from the use in many computer systems of a two-digit dating method that assumes 1 and 9 are the first two digits of the year. Without programming changes, the systems will recognize 00 not as 2000 but as 1900, which could cause the computers either to shut down or to malfunction on 1 January 2000.
110. WFP's Y2K project was initiated in July 1998 with the establishment of an eight-person team. The team, adopting the methodology of the United Kingdom National Audit Office, prepared a four-stage action plan for headquarters and country offices:
- *Year 2000 Awareness:* a report entitled "Preparing for the Year 2000" was disseminated to all WFP offices to raise awareness of the Year 2000 problem and provide an overview on how to prepare for it.
 - *Inventory and Compliance Test:* Identifying the Year 2000 status of the hardware and software currently in use.
 - *Corrections and Testing:* Upgrading or replacing faulty hardware and software. A Y2K Compliance facility has been established where the most critical programs and software can be tested.
 - *Contingency Planning:* To ensure that normal operations continue in the case of an unforeseen emergency, addressing all the organization-critical equipment and services that are suspected of not being Year 2000 compliant. The majority of these will probably consist of external service providers, such as power and water companies or banking services. Where feasible, WFP offices will stockpile essential supplies, such as diesel to run office generators.



FINANCIAL AND RESOURCE MANAGEMENT

Overview of WFP's consolidated budget and expenditure

111. WFP's consolidated budget for the 1998–99 biennium was based on an expected availability of 4.3 million tons of commodities. As a result of an unexpected and much welcomed additional contribution of one million tons from the Government of the United States in the latter part of 1998, the total tonnage for the 1998–99 biennium is expected to exceed 5.4 million tons, with a corresponding projected budget of approximately three billion dollars. The PSA budget was adjusted accordingly.
112. WFP's overall expenditure in 1998 amounted to 1,348 million dollars.¹ Operational costs amounted to 1,238 million dollars, PSA expenditure was recorded at 96 million dollars and Others under special accounts (including FMIP) came to 14 million dollars. Expenditure by programme and cost categories were as follows (in million dollars).

Programme category		Cost category	
Development	259	Commodities	647
PRO/PRRO	219	Ocean transport	147
Emergency	697	Air, overland and LTSH	262
Special Operations	34	Direct Support Costs and others	182
Bilateral/others	24	Total Operational Costs	1 238
General Fund	115	PSA	96
		Others under special accounts	14
Total	1 348	Total expenditure	1 348

Long -term financing

113. WFP introduced a radically new resourcing and financing model in 1996 to resolve persistent problems of insufficient cash contributions to fully fund both WFP food-aided operations and the PSA budget. Fundamental to the new model was the principle of “full cost recovery by donor by contribution”. This required all contributors to provide sufficient cash to cover direct support costs and the PSA budget in proportion to their commodity contribution. The model also addressed key issues such as increased transparency, accountability, and resource predictability and flexibility.
114. In 1997, a review of the effectiveness of the new model started with a donor survey, an examination of in-house experience, and informal consultations with member states and donors. These consultations were formalized in May 1998 with the creation of a Formal Working Group of the Executive Board, open to all Members of WFP and an observer from the European Commission.
115. The Formal Working Group identified a number of areas in which the model had already brought significant benefits to the Programme, including:
- increased transparency and accountability;
 - improved ability for WFP to plan and manage its resources at the corporate and project levels;
 - some improved predictability in resource availability.

¹ 1998 figures are based on provisional financial statement of accounts.



116. However, the Formal Working Group also noted some major difficulties in the current operation of the model, including:
- full compliance had not always been achieved by some major donors, despite considerable efforts on their parts;
 - the increasing trend towards directed contributions had not been arrested;
 - the Indirect Support Cost rate for development activities had been artificially inflated;
 - a complex and cumbersome process to set differential indirect support cost rates was required.
117. In January 1999, the Executive Board adopted the recommendations of the Formal Working Group, which should provide WFP with greater security of funding for the PSA budget, greater flexibility of resource use and an enhanced capacity to plan and introduce activities in a timely manner. The revised policies will take effect from the start of the 2000–2001 biennium.

Improving financial management systems

118. The Financial Management Improvement Programme (FMIP) was launched in 1995 to upgrade WFP's financial management and accounting capability by, among others, replacing mainframe computer systems introduced in the mid-1980s with modern, improved systems. IBM was contracted in 1998 to implement integrated finance, personnel and procurement systems, to be completed in 2000. Special emphasis is being given to support the further delegation of responsibilities to country offices by enabling them to better manage their administrative and project budgets, their personnel responsibilities, and their procurement of food and non-food items.
119. The first phase of WFP's new Commodity Tracking System (COMPAS) was introduced in Ethiopia and Djibouti at the end of 1998, following pilot testing in Kenya and Uganda. The improved monitoring of the location and condition of WFP commodities will lead to better operational decisions concerning allocation of food along the supply pipeline.
120. The Resource Mobilisation System provides a means to track and monitor data on resource requests and contributions, including the issuance of appeals and funding proposals. By the end of 1998, the system was almost fully functional in headquarters.
121. It is now estimated that nearly 37 million dollars will be required to implement the FMIP from inception through to completion in the year 2000—some 30 percent more than projected when the Plan was approved in 1995. There are three reasons for this increase:
- more accurate cost estimates have been obtained as the individual components of the system have been more concretely defined;
 - there have been unprecedented cost increases in the information technology industry over the past three years, in large part due to the rush to address the Year 2000 problem. Nevertheless, WFP has managed to keep costs within reasonable limits, by contracting individual consultants rather than large firms;
 - the implementation period has been extended by a further year. As a result, it will be necessary to support current less-efficient systems for a longer period than initially envisaged.
122. Though an additional four million dollars was provided to the FMIP project during 1998, an overall funding shortfall of nearly 17 million dollars remains. Interim funding of 10



million dollars from the General Fund has ensured maintenance of progress while additional funds are sought from donors.

Improved accountability

123. In the course of the six inspections and seven investigations carried out by the **Office of the Inspector-General** in 1998, the Office addressed issues including accountability, decentralization, cash losses, conflict of interest, security, theft, food losses, personnel management, sexual harassment and misappropriation of funds, as well as issues arising from reform of the United Nations system, such as advice on common services and the cost-effectiveness of common premises for United Nations agencies.
124. Close collaboration with management ensures that lessons learned from inspections and investigations are incorporated into the design of WFP operations, and are reflected in the revision of manuals and guidelines on issues such as accounting, sexual harassment, security and travel.
125. Cooperation between the United Nations Office of Internal Oversight Services (OIOS) and other inspection and investigation services of the United Nations system has been strengthened through sharing of information. WFP investigation staff also took part in an OIOS-organized training programme in 1998.
126. The work of the **Office of Internal Audit** aims to achieve greater transparency and accountability in the management of WFP's resources. In 1998, a total of 420 audit recommendations were made, of which 247 had been acted upon by the end of the year.
127. Since 1997, the main lessons drawn from country office audits have been shared with country offices. In 1998, the main lessons were:
- the need for closer monitoring of country office budgets to prevent over-expenditure;
 - the importance of separating the certification and approval functions within country offices;
 - the value of periodic reconciliation of country office and headquarters accounting records to ascertain and address variances;
 - the need for adequate documentation, and careful processing and review of payments;
 - the necessity of following WFP regulations and rules for the procurement of food, transport and non-food items;
 - the need to improve the management of WFP assets (cash, commodities and equipment) through better record-keeping and periodic review.
128. In 1996, a risk assessment model was developed to identify the level of exposure of WFP's assets and resources to different types of risk. The model has since proved to provide a valuable basis for establishing an audit cycle for WFP.
129. WFP is one of the few United Nations organizations in which internal auditors regularly review procurement activities, including all documentation and attendance at procurement meetings. This review is not a substantive audit of procurement, but does provide a timely assessment of procurement decisions made on the basis of delegated authority, and is an opportunity to address issues in a more immediate and timely fashion.
130. The first joint audit between two United Nations agencies was carried out in 1998 with the joint WFP/UNICEF audit of Operation Lifeline Sudan.



Human resources development

131. WFP employed more than 5,000 people in 1998, on a number of different types of contracts. More than 2,000 employees had contracts for more than 12 months; the remainder were employed for shorter periods.
132. WFP is actively taking steps to meet the United Nations' goal for gender equity in staffing by the year 2001. Managers are required to submit six-monthly reports on their staffing by gender, and are held accountable for the gender balance of their staff. In 1998, women accounted for 35 percent of new recruits with contracts of one year or more. Despite an impressive increase in the number of professional women staff members since 1992, less than one third of professional staff are women, with most in the lower grades. Stronger guidelines have been provided for 1999, with the meeting of gender targets now an explicit component in performance assessment of all hiring managers.
133. A new Spouse Employment Policy initiated in 1998 should help facilitate the recruitment and retention of international professional staff, especially women. A significant barrier to the recruitment of highly-trained professional staff is that international employment and career opportunities for spouses, who frequently also hold professional qualifications, are limited. The new WFP Spouse Employment Policy aims to facilitate the employment of professionally-qualified spouses of professional staff at all locations, while avoiding conflict of interest. Employment may be with WFP, other United Nations agencies or NGOs. Where both partners are employed by WFP, the Programme will try to facilitate the assignment of both spouses to the same duty station.

**WFP STAFF BY CATEGORY AND GENDER
AT 31 DECEMBER 1998¹
(EXCLUDING SHORT-TERM, CONSULTANTS AND SSA)**

Category	All	Women	% Women
PROFESSIONAL			
<i>Higher Categories (D2 and above)</i>	11	3	27
Country offices	1	0	0
Headquarters ¹	10	3	30
<i>Unified Service Staff</i>	232	58	25
Country offices	153	31	20
Headquarters ¹	79	27	34
<i>Specialist Staff</i>	56	24	43
Country offices	1	0	0
Headquarters ¹	55	24	44
<i>Core Project Staff</i>	123	39	32
Country offices	62	11	18
Headquarters ¹	61	28	46
<i>Non-core Project Staff</i>	281	89	32
Country offices	232	66	28
Headquarters ¹	49	23	47
<i>Junior Professional Officers</i>	57	35	61
Country offices	43	25	58
Headquarters ¹	14	10	71
<i>Subtotal International Professional Staff and Higher Categories</i>	760	248	33
Country offices	492	133	27



**WFP STAFF BY CATEGORY AND GENDER
AT 31 DECEMBER 1998¹
(EXCLUDING SHORT-TERM, CONSULTANTS AND SSA)**

Category	All	Women	% Women
Headquarters ¹	268	115	43
<i>United Nations Volunteers (in country offices)</i>	73	17	23
<i>National Officers (country offices)</i>	200	59	30
TOTAL PROFESSIONAL STAFF	1033	324	31
GENERAL SERVICE			
Country offices (National)	749	278	37
Country offices (International)	16	12	75
Headquarters ¹	318	245	77
TOTAL GENERAL SERVICE	1083	535	49
TOTAL ALL STAFF	2116	859	41
Country offices (72%)	1530	499	33
Headquarters (28%) ¹	586	360	61

¹ Data on staff at headquarters also include staff in WFP liaison offices in Brussels, Geneva, New York, Yokohama and Washington.

134. A historical legacy that is now causing major administrative problems is the large number of different types of contracts under which WFP staff have been recruited. Although operational expediency, and the need to adapt rapidly to changing situations, is at the root of the problem, the proliferation of types of contracts has created an inequitable situation for many staff members and complicated personnel administration. To address this, a comprehensive review of WFP's staffing policies for the International Professional Staff category commenced in 1998, with the objective of better tailoring WFP's staffing to operational needs: WFP must have the facility to expand and contract staff numbers quickly, in line with the expansion and contraction of operations. At the same time, the Programme must also be able to recruit and retain highly-trained and motivated staff. It is a major challenge to meet these two goals, while providing a more equitable contractual environment for staff and simplifying personnel administration.
135. In 1998, most WFP Country Directors and Regional Managers in countries where WFP has operational activities were accredited as WFP Representatives.
136. A new Senior Management Training Programme was introduced in 1998. One aspect of the training is a "360° Appraisal", a system of performance feedback by supervisors, the people they supervise and their peers. Over 100 senior managers have now completed two cycles of 360° feedback.
137. As part of an enhanced Employee Assistance Programme, part-time counsellors have been stationed in Nairobi, Abidjan and Islamabad to provide stress management advice and counselling to staff who have experienced traumatic events, such as being attacked or taken hostage. The counsellors have visited most of the major emergency areas.
138. WELCOM, a new interactive computerized Orientation Programme, was introduced in 1998 to help new and re-assigned staff to adjust to living and working in Rome. The programme is now being adapted for use in country offices, using country-specific information.



RESOURCING WFP ACTIVITIES

Global food aid flows

139. Global food aid deliveries in 1998 are estimated to have reached 8.0 million tons, the first increase in five years. Programme food aid, usually provided on a government-to-government basis as balance-of-payments support, accounted for nearly all this increase; relief and project food aid remained at approximately 1997 levels. Even so, targeted food aid—made up of relief and project categories—still represented almost 70 percent of total food aid deliveries.
140. The Asia region and that of sub-Saharan Africa received the largest proportion of food aid deliveries. Both regions received more food aid than during 1997. In Africa, the increase was mainly due to large emergency deliveries. In Asia, both programme and relief deliveries increased. The Latin America and the Caribbean region received about 50 percent more food aid than in 1997. This increase was mainly due to programme food aid deliveries, which doubled in 1998.
141. Two donors—the United States and Japan—accounted for most of the increase in global food aid, offsetting the general decline in food aid from most other donors.

Food Aid Convention

The current Food Aid Convention (FAC) expires in June 1999. In 1998, against a background of declining aid budgets and reduced food aid availability, FAC members established a working group to begin negotiations for a new Convention.

Although not a party to the Convention, WFP welcomed the invitation by FAC members to attend meetings of the working group to discuss how the new Convention might encourage better uses of food aid. WFP urged members to adopt a new Convention encouraging best use of food aid, while preventing food aid flows from falling below the current FAC commitment. To this end, WFP has proposed four clear objectives for the new FAC:

- prevent the minimum level of tonnage committed under FAC from falling below 5.35 million tons;
- encourage allocation of food aid to the least developed countries, and then to prioritize allocations to low-income food-deficit countries and net food-importing developing countries, thus targeting food assistance to countries where widespread poverty and food insecurity coexist;
- maintain a floor level of 3.5 million tons of food aid for chronic (i.e. distinct from relief) food needs;
- promote, where appropriate, the use of local foods and micronutrient-fortified foods—thus improving the impact of the food delivered.

Contributions, commitments and shortfalls

142. Total contributions to WFP in 1998 amounted to 1.7 billion dollars, one third more than in 1997. Both the United States and the United Kingdom more than doubled their contributions to WFP, while Japan increased its donations by 20 percent, Italy by 17 percent and France by 13 percent. Nevertheless, food aid requirements also significantly exceeded those of 1997, principally because of the increase in relief food aid needs, particularly for the large number of people affected by natural calamities. Furthermore, relief resources were almost all provided in direct response to appeals, rather than in anticipation of emergencies arising. Only three percent of funds contributed to emergency



operations were fully untied (that is, without imposing conditions on their use, such as specific operations or areas of purchase).

143. Resources provided by donors for development activities declined in dollar terms by 13 percent since 1996 (from 399 million dollars in 1996 to 346 million dollars in 1998). This decline would have been even more dramatic if WFP had not received an exceptionally large additional contribution from the United States, which helped cover some of the outstanding requirements for development projects. The decline in resources for development has been offset to some extent by the fall in food prices (the price of commodities has fallen by approximately one quarter since 1996) and in transport rates (WFP charter rates have fallen by approximately 10 percent since 1996).
144. The increase in the proportion of directed multilateral contributions for development projects—29 percent in 1998—is a disturbing trend. Among other concerns, such directed contributions make it difficult to target resources consistently to the neediest people, and sometimes distort the allocation of resources. Already in 1998, donors had directed to some countries such a high level of development resources through WFP that they could not all be utilized; at the same time, activities in other countries had to be scaled back because there were insufficient development resources to fully fund them. If the trend towards directed multilateral contributions continues, WFP will find it increasingly difficult to meet its obligation of providing the majority of its development assistance to the poorest countries, and to do so cost-effectively.
145. Resources for emergency operations increased dramatically, especially from the United States, which almost tripled its contributions. In all, WFP received almost one billion dollars for emergency operations in 1998, 80 percent more than the level received in 1997. Even so, resources available for emergency operations fell short of needs, and WFP faced a 23 percent shortfall over requirements (in tonnage terms, on a pro-rata basis for the calendar year). Emergency operations in Cuba, Armenia, Democratic Republic of Congo and Zambia in particular suffered from the resource shortfall, resulting either in breaks in the distribution of rations or in severe reduction of rations. Other operations that had to be scaled back because of a lack of resources were in Central America, China, Iraq, the Great Lakes region, Kenya, Pakistan, Sudan and Uganda. In Zambia, lack of commodities delayed the distribution of emergency assistance to 700,000 drought victims by three months, with consequent additional suffering for the affected population, and prevented the introduction of food-for-work projects intended to encourage recovery activities. In Kenya, the resource shortfall meant that WFP was unable to provide either a balanced food basket or fully meet the energy needs of drought victims. As a result, this WFP intervention was much less successful than it would have been in reducing malnutrition rates.



Resource Problems in the Great Lakes Region

During 1998, shortfalls in resources for relief operations in the Great Lakes region, combined with donors earmarking their contributions to specific countries, rather than to the regional operation as a whole, had significant consequences for WFP's beneficiaries. Although regional stocks were always adequate in terms of total food needs, with average regional stocks equivalent to more than 10-weeks' requirements, these food stocks were often not available for equitable distribution among all people. As a result, WFP instituted a series of swaps and loans, after seeking donor approval. While major impact on beneficiaries were averted, this was only achieved at considerable additional cost and administrative burden.

To complicate matters further, WFP had to match resource availability with delivery and distribution capacities, which were constrained by deteriorating security conditions. In Tanzania, general rations had to be reduced when transport routes were disrupted by floods; attendance at nutritional programmes increased sharply following the cut in general rations.

Lack of vegetable oil after mid-1998 meant that WFP had to give priority to nutritional interventions and programmes for vulnerable groups. To compensate for the lack of oil in the general ration, the amounts of cereals and pulses were increased. Nevertheless, removing oil from the general food basket had noticeable effects on the participation rates in food-for-work projects, which suffered from very high attrition rates. The nutritional status of beneficiaries in particularly food-insecure communes also failed to improve appreciably.

For refugees and displaced people who were most reliant on food aid, and whose coping mechanisms were weakest, lack of oil resulted in over-reliance on cereals in the diet, with consequent nutritional impact, particularly on children and women.

Delivery problems during the year also resulted in shortfalls of blended foods for refugees and displaced people. To compensate, WFP turned to fortified maize meal or, in some cases, a mixture of maize meal and dried skim-milk.

146. In some cases, such as in Bangladesh, China, Central America and Kenya, WFP was able to borrow resources from existing development projects in the region to meet some emergency food needs. However, the shortfall in emergency resources is likely to pose problems for the timely replacement of these borrowed commodities. Furthermore, any decline in support to development means that this ability to borrow commodities will become increasingly difficult in the future.
147. Following the introduction of the PRRO category in 1998, WFP began converting emergency operations of more than two-years duration into PRROs. Overall donor response to the new category was positive, with contributions totalling 322 million dollars, a slight increase over 1997. However, operations in Angola, Liberia Regional and Sierra Leone did not receive the level of resources WFP had requested. Fortunately, donors gave WFP flexibility in redirecting and using the resources that were provided, which enabled the Programme to meet the most pressing needs and respond to the changing situation as conflict flared and then died.

Immediate Response Account (IRA)

148. The IRA was extensively used in 1998 to make local and regional food purchases to meet urgent food needs in the critical first phases of emergency situations, while waiting for donors to confirm their contributions. In China, Indonesia, Honduras and Guinea Bissau, WFP advanced IRA funding within hours of the onset of the emergency situation. In all, 30.4 million dollars were advanced from the IRA to meet the requirements of new emergencies, as well as to avert critical pipeline breaks in ongoing relief operations. This is the highest use of the IRA since it was established in 1991.



149. However, the increased number of emergencies during the year, and the limited number of contributions for its replenishment, have strained the IRA account. The decline in contributions to the IRA continued in 1998, with total contributions of 15 million dollars the lowest-ever recorded, and only 40 percent of the annual target of 35 million dollars. At the same time, funds could not be revolved back into the IRA because of shortfalls in resourcing some emergency operations where the IRA had been drawn on—of the 30 million dollars advanced from the IRA for emergency operations in the course of the year, only eight million dollars was paid back. As a result, taking into account carry-over balances from 1998 and revolved amounts from ongoing emergency operations, the opening balance of the IRA in 1999 was only 10.2 million dollars.

WFP commodities fortified with micronutrients

150. The main concern of poor people is to have enough food to meet their energy needs. But often all they can afford are monotonous staple foods that provide energy but not all the micronutrients that the human body requires for normal growth and development, and good health. With the support of a 20-million dollar Canadian contribution through the Women's Health and Micronutrients Facility, WFP has made special efforts over recent years to ensure that support to vulnerable groups includes appropriate micronutrient intake.

151. Micronutrients come particularly from foods such as animal products, fruits and vegetables that poor people can rarely afford. In this situation, the only short-term solution is to fortify with micronutrients the basic foods that poor people eat. World Bank studies show that, after energy and protein needs have been met, micronutrient fortification is the most cost-effective intervention to overcome malnutrition.

152. Since 1998, all WFP salt is has been iodinated; all WFP vegetable oil and dried skimmed milk is fortified with vitamin A and, when necessary, with vitamin D; all wheat and maize flour provided by WFP enriched with vitamin B complex and supplemented with iron; and all WFP blended foods and high energy biscuits fortified with at least 12 different micronutrients.

153. Not all food can be fortified with micronutrients. Cereal grains and pulses—which form 80 percent of WFP commodities—can only be fortified if they are milled into flour. Several attempts have been made in the past to provide local milling facilities as part of WFP interventions, particularly in refugee situations, where people typically have less access to fresh foods. However, experience so far is that these facilities quickly become inoperable, usually because of poor maintenance and management. The problem is now being studied in detail, and a new approach of contracting NGOs to provide local milling facilities is being assessed. If the problem of providing milling facilities locally can be overcome, then it should also be possible to extend the availability of fortified foods provided by WFP.

Resource mobilization strategy

154. WFP has placed an increased emphasis on resource mobilization in order to strengthen and broaden its financial and resource base, as well as improve the predictability and reliability of funding. A concerted effort was made throughout 1998 to enhance coordination between headquarters and field offices in fund-raising. WFP Regional Managers and Country Directors play a critical role in raising resources for ongoing activities, ensuring that donor representatives in-country receive detailed operational information and understand first-hand how WFP's projects assist the most needy. To



facilitate this process, new guidelines were prepared in 1998 to strengthen resource mobilization at field level.

155. WFP is supporting more innovative cooperation with donors in other ways. One key initiative was the establishment of WFP representation in Washington, to broaden the understanding of WFP in the United States, WFP's largest donor, as well as to serve as a source of information for the many NGOs in the Washington area. The Washington office will supplement the work of the other WFP liaison offices in New York, Geneva, Brussels and Yokohama.
156. Donors continued to support WFP's efforts to improve the quality of projects with donations under the Dutch Quality Improvement Fund, Finnish support to the Gender Action Plan, and technical assistance from Germany. In 1998, WFP engaged several donors—including The Netherlands, Germany and the United Kingdom—to finance technical assistance projects that help improve the effectiveness of ongoing WFP relief and development activities. This effort will be expanded in 1999.

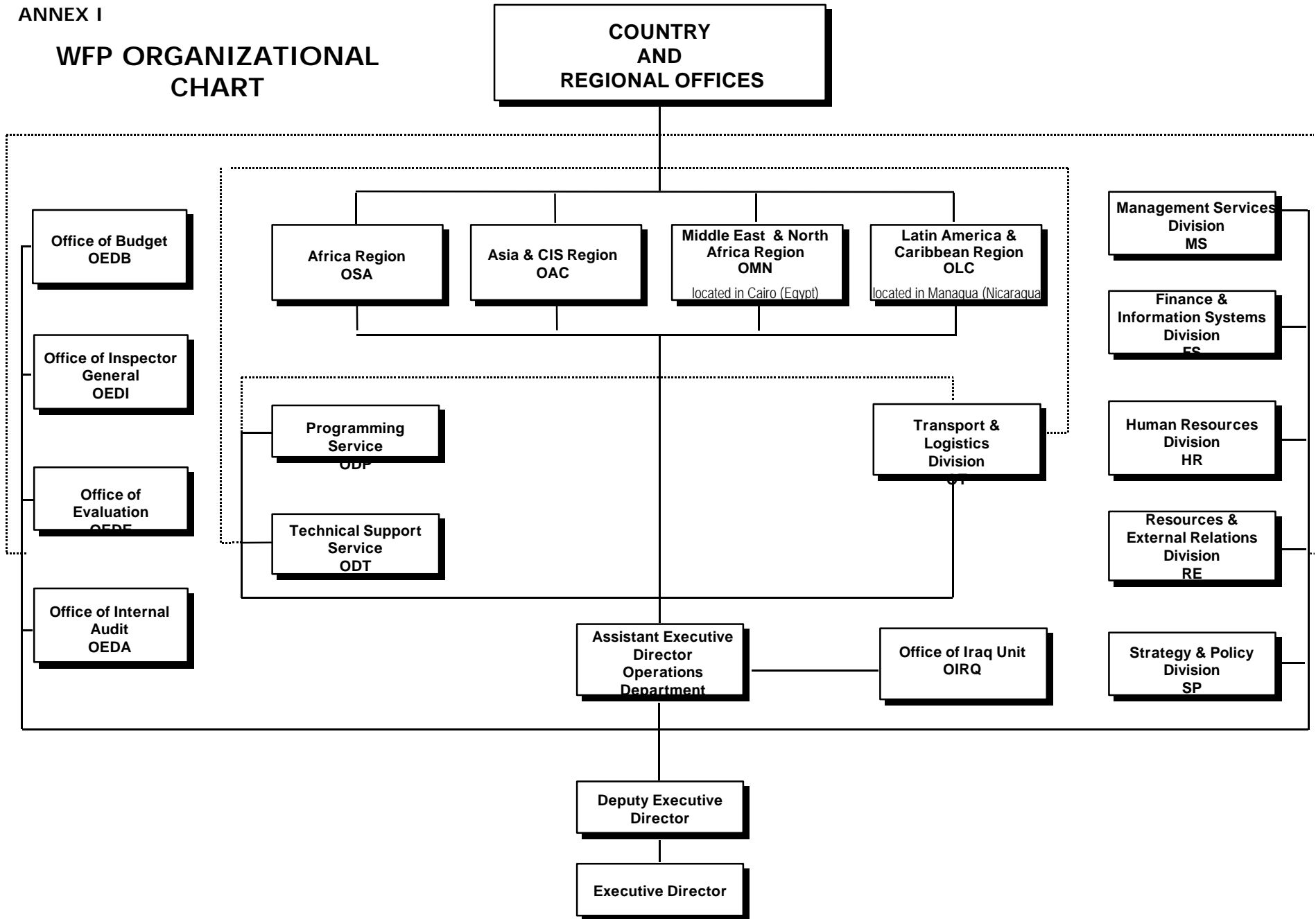


ANNEXES AND MAPS



ANNEX I

WFP ORGANIZATIONAL CHART



ANNEX II: GLOBAL FOOD AID PROFILE (1993–98)
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	1993	1994	1995	1996	1997	1998 ¹
1. Total food aid deliveries (in million tons—cereals in grain equivalent)	17.3	12.8	10.2	7.4	7.3	8.0
Cereals	15.4	11.0	8.8	6.4	6.5	7.0
Non-cereals	1.9	1.8	1.4	1.0	0.8	1.0
2. Food aid procurement in developing countries (percent of total)	9	11	15	16	17	11
3. Food aid deliveries by channel (percent of total)						
Bilateral	62	52	50	45	29	39
Multilateral (WFP representing more than 95 percent)	24	27	29	36	43	35
NGOs	14	21	21	19	28	26
4. Food aid deliveries by category (percent of total)						
Programme	61	45	43	39	22	31
Relief	24	34	34	37	46	37
Project	15	21	23	24	32	32
5. Food aid deliveries by region (percent of total)						
Sub-Saharan Africa	29	34	32	36	33	37
Asia	12	20	24	28	39	37
Europe and CIS	41	29	29	18	14	10
Latin America and the Caribbean	12	11	9	11	9	12
North Africa and Middle East	6	7	6	8	5	4
6. Food aid deliveries by country special status category (percent of total)						
Deliveries to developing countries	66	83	87	91	91	93
Deliveries to low-income, food-deficit countries	53	75	80	82	87	85
Deliveries to least developed countries	27	42	40	47	48	48
7. Total cereal food aid deliveries expressed as percent of:						
World cereal production	0.9	0.6	0.5	0.3	0.3	0.4
World cereal imports ²	7.7	5.4	4.2	3.0	2.9	3.3
8. Cereal food aid deliveries to LIFDCs expressed as percent of:						
LIFDC-cereal production	1.1	1.1	0.9	0.6	0.7	0.7
LIFDC-cereal imports ²	12.5	11.5	9.0	7.6	6.8	8.6

¹ Provisional.

² Import statistics refer to July/June periods ending in the reported years, except for rice, which refer to the calendar year shown.

Sources: WFP (INTERFAIS), February 1999, and FAO, Food Outlook, February 1999.



ANNEX III TABLE 1: WFP OPERATIONAL EXPENDITURES¹ BY REGION AND TYPE 1994-98 (*thousand dollars*)

	1994		1995		1996		1997		1998 ²	
	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%
GRAND TOTAL	1 412 996	100	1 096 661	100	1 077 309	100	1 081 148	100	1 237 547	100
DEVELOPMENT	311 474	22	340 844	31	279 091	26	332 692	31	254 319	21
Agricultural and rural development	180 923		175 008		134 276		185 346		133 855	
Agricultural production	134 919		149 213		116 037		159 466		99 780	
Food reserves	-17		3 896		821		-143		2	
Rural infrastructure	29 596		19 197		16 059		19 725		29 465	
Settlement	16 425		2 702		1 359		6 298		4 608	
Human resource development	130 551		165 836		144 815		147 346		120 464	
MCH and primary schools	109 486		140 684		122 678		107 465		97 841	
Literacy training and other education	21 065		25 152		22 137		39 881		22 623	
RELIEF	873 501	62	613 924	56	737 655	68	703 366	65	915 500	74
Emergency	609 815		426 377		488 779		469 029		696 990	
Drought/crop failures	110 627		60 277		20 255		65 817		235 372	
Man-made disasters	494 078		363 700		442 267		285 215		359 207	
Sudden natural disasters	5 110		2 400		26 257		117 997		102 411	
PRO AND PRRO	263 686		187 547		248 876		234 337		218 510	
Protracted displaced person operations	109 119		116 180		157 558		132 992		122 361	
Protracted refugee operations	154 567		71 367		91 318		101 345		96 149	
SPECIAL OPERATIONS	0		0		18 457	2	20 654	2	34 111	3
TRUST FUNDS³	207 746	15	141 644	13	31 124	3	11 077	1	23 920	2
OTHER⁴	20 275	1	249		10 982	1	13 359	1	9 697	1

ANNEX III TABLE 1: WFP OPERATIONAL EXPENDITURES¹ BY REGION AND TYPE 1994-98 (*thousand dollars*)

	1994		1995		1996		1997		1998 ²	
	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%
SUB-SAHARAN AFRICA	838 625	100	616 181	100	553 323	100	501 691	100	646 925	100
Percentage of all regions	59		56		51		46		52	
DEVELOPMENT	84 138	10	118 238	19	90 149	16	96 912	19	81 035	13
Agricultural and rural development	30 473		51 786		25 067		45 522		41 333	
Agricultural production	20 714		41 330		19 958		36 623		27 839	
Food reserves	12		3 896		821		-143		2	
Rural infrastructure	9 459		6 241		4 204		8 781		13 126	
Settlement	288		319		84		261		366	
Human resource development	53 665		66 452		65 082		51 390		39 702	
MCH and primary schools	47 112		57 575		58 584		45 318		33 944	
Literacy training and other education	6 553		8 877		6 498		6 072		5 758	
RELIEF	609 606	73	422 786	69	434 568	79	403 959	81	538 551	83
Emergency	428 221		298 359		256 564		256 717		371 064	
Drought/crop failures	108 840		60 275		20 200		64 192		56 566	
Man-made disasters	314 900		238 084		236 364		187 972		292 071	
Sudden natural disasters	4 481		0		0		4 553		22 427	
PRO AND PRRO	181 385		124 427		178 004		147 242		167 487	
Protracted displaced person operations	87 230		72 329		106 926		64 080		89 698	
Protracted refugee operations	94 155		52 098		71 078		83 162		77 789	
SPECIAL OPERATIONS	0		0		13 478	2	5 196	1	19 101	3
TRUST FUNDS³	144 881	17	75 157	12	15 128	3	-4 376		8 238	1

ANNEX III TABLE 1: WFP OPERATIONAL EXPENDITURES¹ BY REGION AND TYPE 1994-98 (*thousand dollars*)

	1994		1995		1996		1997		1998 ²	
	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%
ASIA	232 745	100	181 929	100	198 858	100	352 744	100	400 980	100
Percentage of all regions	16		17		18		33		32	
DEVELOPMENT	126 633	54	97 586	54	100 274	50	149 670	42	102 007	25
Agricultural and rural development	92 668		68 428		69 626		103 326		61 186	
Agricultural production	84 118		66 749		66 981		98 332		55 898	
Food reserves	-29		0		0		0		0	
Rural infrastructure	2 485		1 383		2 687		4 994		5 274	
Settlement	6 094		296		-42		0		14	
Human resource development	33 965		29 158		30 648		46 344		40 821	
MCH and primary schools	20 332		17 056		21 728		21 992		24 414	
Literacy training and other education	13 633		12 102		8 920		24 352		16 407	
RELIEF	82 798	36	56 064	31	89 243	45	194 623	55	294 246	73
Emergency	10 162		2 438		26 336		112 489		251 684	
Drought/crop failures	1 799		5		56		3		171 046	
Man-made disasters	7 784		20		23		2 032		3 942	
Sudden natural disasters	579		2 413		26 257		110 454		76 696	
PRO AND PRRO	72 636		53 626		62 907		82 134		42 562	
Protracted displaced person operations	21 890		43 851		50 632		68 912		32 696	
Protracted refugee operations	50 746		9 775		12 275		13 222		9 866	
SPECIAL OPERATIONS	0		0		0		1 243	0	1 064	0
TRUST FUNDS³	23 314	10	28 279	16	9 341	5	7 208	2	3 663	1

ANNEX III TABLE 1: WFP OPERATIONAL EXPENDITURES¹ BY REGION AND TYPE 1994-98 (*thousand dollars*)

	1994		1995		1996		1997		1998 ²	
	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%
EUROPE AND CIS	186 586	100	130 929	100	165 406	100	77 503	100	57 140	100
Percentage of all regions	13		12		15		7		5	
RELIEF	152 097	82	99 281	76	157 810	95	74 787	96	56 099	98
Emergency	152 097		99 281		157 810		74 787		56 099	
Man-made disasters	152 097		99 281		157 810		74 787		56 099	
SPECIAL OPERATIONS	0		0		4 979	3	3 045	4	641	1
TRUST FUNDS³	34 489	18	31 648	24	2 617	2	-329		400	1

ANNEX III TABLE 1: WFP OPERATIONAL EXPENDITURES¹ BY REGION AND TYPE 1994-98 (*thousand dollars*)

	1994		1995		1996		1997		1998 ²	
	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%
LATIN AMERICA & THE CARIBBEAN	58 968	100	89 155	100	60 957	100	52 743	100	63 853	100
Percentage of all regions	4		8		6		5		5	
DEVELOPMENT	53 398	91	84 803	95	57 178	94	46 106	87	49 259	77
Agricultural and rural development	30 843		29 160		22 895		15 414		19 379	
Agricultural production	13 058		17 262		16 561		10 933		8 428	
Rural infrastructure	17 608		11 451		6 120		4 480		10 951	
Settlement	177		447		214		1		0	
Human resource development	22 555		55 643		34 283		30 692		29 880	
MCH and primary schools	22 555		55 621		32 049		29 211		29 893	
Literacy training and other education	0		22		2 234		1 481		-13	
RELIEF	2 253	4	1 757	2	1 185	2	5 647	11	11 324	18
Emergency	294		968		1 383		5 633		11 324	
Drought/crop failures	-6		-2		0		1 621		7 750	
Man-made disasters	231		970		1 383		1 087		275	
Sudden natural disasters	69		0		0		2 925		3 299	
PRO AND PRRO	1 959		789		-198		14		0	
Protracted refugee operations	1 959		789		-198		14		0	
TRUST FUNDS³	3 317	6	2 595	3	2 594	4	990	2	3 270	5

ANNEX III TABLE 1: WFP OPERATIONAL EXPENDITURES¹ BY REGION AND TYPE 1994-98 (*thousand dollars*)

	1994		1995		1996		1997		1998 ²	
	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%	Expen- ditures	%
NORTH AFRICA & MIDDLE EAST	75 795	100	78 221	100	87 786	100	83 106	100	58 956	100
Percentage of all regions	5		7		8		8		5	
DEVELOPMENT	47 303	62	40 218	51	31 491	36	40 002	48	22 018	37
Agricultural and rural development	26 937		25 634		16 689		21 081		11 958	
Agricultural production	17 028		23 872		12 537		13 577		7 615	
Rural infrastructure	43		122		3 049		1 469		114	
Settlement	9 866		1 640		1 103		6 035		4 229	
Human resource development	20 366		14 584		14 802		18 921		10 060	
MCH and primary schools	19 487		10 432		10 318		10 944		9 590	
Literacy training and other education	879		4 152		4 484		7 977		470	
RELIEF	26 747	35	34 038	44	54 851	62	24 350	29	15 284	26
Emergency	19 040		25 334		46 687		19 402		6 824	
Drought/crop failures	-6		0		0		0		0	
Man-made disasters	19 065		25 347		46 687		19 337		6 824	
Sudden natural disasters	-19		-13		0		65		0	
PRO AND PRRO	7 707		8 704		8 164		4 948		8 460	
Protracted displaced person operations	0		0		0		0		0	
Protracted refugee operations	7 707		8 704		8 164		4 948		8 460	
SPECIAL OPERATIONS	0		0		0		11 170	13	13 305	23
TRUST FUNDS³	1 745	2	3 965	5	1 444	2	7 584	9	8 349	14

¹ Excludes programme support and administrative costs. In this table, non-food items expenditures are included under "Trust Funds".

² Provisional figures.

³ Trust Funds expenditures include Bilateral, JPO and other funds in trust.

⁴ Operational expenditures such as insurance that cannot be apportioned by project or operation.

Negative figures, shown in parentheses, represent financial adjustments.

ANNEX III TABLE 2: WFP OPERATIONAL EXPENDITURES¹ BY COUNTRY, REGION AND TYPE 1995-98 (thousand dollars)

	1 995				1 996					1 997					1998 ²				
	Develop-ment	Relief	Extra-budgetary	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total
SUB-SAHARAN AFRICA																			
Angola	-214	33 348	9 217	42 350	0	60 031	6 603	162	66 797	0	53 869	6 133	-307	59 694	832	27 984	9 366	348	38 532
Benin	5 604	422	-133	5 892	2 803	691	0	94	3 588	4 279	17	0	76	4 373	4 555	0	0	254	4 809
Botswana	4 654	0	111	4 766	2 968	-6	0	-1	2 961	44	0	0	-45	-1	2	0	0	0	2
Burkina Faso	7 738	660	30	8 430	5 008	1 487	0	228	6 724	4 444	1 109	0	48	5 602	7 339	26	0	766	8 132
Burundi ³	2 238	1 823	12 464	16 525	526	-330	0	91	286	-38	60	0	-242	-219	210	168	0	-307	70
Cameroon	2 383	0	110	2 493	1 578	0	0	0	1 578	805	0	0	0	804	67	2 684	0	14	2 766
Cape Verde Islands	7 759	0	1 417	9 176	6 937	0	0	-1	6 935	2 951	0	0	-5	2 946	1 934	0	0	40	1 974
Central African Republic	127	-1 516	0	-1 388	-7	-31	0	114	74	1 168	-73	0	19	1 114	766	0	0	39	805
Chad	7 400	0	212	7 612	13 747	0	0	65	13 812	3 152	3 071	0	-2	6 221	2 490	1 985	0	85	4 561
Comoros	1 512	0	0	1 512	-309	0	0	0	-309	-129	0	0	0	-129	0	0	0	0	0
Congo	-44	1	0	-43	16	-2	0	0	14	-46	-24	0	0	-70	0	0	0	0	0
Congo, Dem. Rep. of the	0	24 333	1 413	25 747	0	-593	0	4 132	3 538	273	-4 447	0	358	-3 815	337	197	0	62	597
Côte d'Ivoire ³	2 632	1	29	2 663	5 951	-1	0	23	5 974	3 120	0	0	-23	3 097	831	0	0	1 009	1 840
Djibouti	388	3 032	275	3 696	224	817	0	-2	1 038	14	2 247	0	9	2 271	225	1 150	0	8	1 383
Equatorial Guinea	2 242	0	0	2 242	45	0	0	0	45	-240	0	0	-32	-272	0	0	0	0	0
Eritrea	485	3 989	3 753	8 228	5	-2 517	0	-17	-2 528	-85	-1 587	0	-687	-2 360	0	71	0	253	324
Ethiopia	16 550	38 730	8 307	63 588	8 126	36 221	0	1 349	45 697	25 111	59 501	0	-1 122	83 490	16 553	54 351	0	1 043	71 948
Gambia	-235	0	0	-235	904	0	0	0	904	2 020	0	0	47	2 067	2 617	0	0	0	2 617
Ghana ³	3 097	6 249	252	9 599	106	-515	0	13	-394	1 834	-767	0	-12	1 054	1 474	0	0	142	1 617
Guinea ³	897	14	139	1 052	841	-14	0	0	826	-163	0	0	0	-163	1 301	691	0	0	1 992
Guinea-Bissau	1 137	694	26	1 858	4 463	-6	0	0	4 456	1 970	0	0	-3	1 967	-46	3 589	0	0	3 543
Kenya	-1 209	7 454	3 433	9 679	2 285	15 368	0	-78	17 575	4 260	27 155	0	-453	30 962	3 909	31 515	1 875	572	37 872
Lesotho	3 901	3 033	376	7 311	4 485	1 805	0	499	6 790	3 411	20	0	-8	3 423	2 881	2	0	9	2 893
Liberia ³	0	59 350	4 450	63 800	0	68 937	430	-406	68 962	0	19 698	289	-257	19 730	1 009	40 369	2 030	284	43 694
Madagascar	1 310	58	3 485	4 853	1 530	-16	0	121	1 635	2 504	295	0	9	2 809	2 769	134	0	26	2 930
Malawi	2 928	20 004	3 991	26 924	3 436	4 367	0	86	7 890	2 372	-767	0	-651	953	1 996	1 591	0	209	3 797
Mali	4 172	0	40	4 212	4 000	0	0	17	4 017	2 956	4 435	0	0	7 392	1 823	3 027	0	169	5 020
Mauritania	5 344	1 984	-83	7 245	1 583	3 523	0	20	5 127	4 371	5 760	0	-13	10 118	2 620	97	0	74	2 792
Mauritius	2 335	0	0	2 335	91	0	0	0	91	12	0	0	0	12	2	0	0	0	2
Mozambique	2 367	11 789	1 835	15 992	-99	12 930	0	156	12 987	1 138	4 884	0	-971	5 050	4 961	4 602	0	1 808	11 372

ANNEX III TABLE 2: WFP OPERATIONAL EXPENDITURES¹ BY COUNTRY, REGION AND TYPE 1995-98 (thousand dollars)

	1 995				1 996					1 997					1998 ²				
	Develop- ment	Relief	Extra- budgetary	Total	Develop- ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop- ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop- ment	Relief	Special Oper.	Trust Funds ⁴	Total
Mongolia	0	-7	-11	-18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Myanmar	0	0	1 252	1 252	0	0	0	1 335	1 335	0	0	0	1 564	1 564	0	33	0	1 282	1 316
Nepal	2 037	4 640	1 586	8 264	5 309	7 116	0	51	12 476	4 526	5 767	0	-1	10 292	4 591	6 605	0	154	11 352
Pakistan	3 135	-2 323	2 436	3 248	3 200	2 367	0	124	5 692	9 511	5 169	1 242	456	16 379	8 013	1 363	981	195	10 553
Papua New Guinea	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	82	0	82
Philippines	720	896	6	1 624	-20	7	0	0	-13	0	1	0	0	1	0	0	0	0	0
Sri Lanka	1 279	3 502	6	4 788	2 135	336	0	76	2 544	1 261	2 626	0	0	3 887	969	2 403	0	128	3 501
Thailand	0	0	-128	-128	0	0	0	-15	-15	0	908	0	0	907	0	3 812	0	0	3 812
Viet Nam	11 367	241	1 159	12 769	11 860	254	0	521	12 637	13 846	0	0	94	13 940	11 244	168	0	-1	11 411
TOTAL REGION	97 586	58 063	28 279	181 928	#####	89 241	0	9 340	198 854	149 670	194 622	1 242	7 207	352 741	102 006	294 244	1 063	3 663	400 976
EUROPE AND CIS																			
Albania	0	0	0	0	0	0	0	0	0	0	3 533	0	0	3 533	0	396	0	0	396
Armenia	0	4 112	883	4 995	0	3 042	0	315	3 358	0	2 890	0	-1	2 888	0	6 084	0	-14	6 070
Azerbaijan	0	4 746	193	4 939	0	4 253	0	9	4 263	0	3 472	0	0	3 472	0	3 441	0	0	3 441
Bosnia and Herzegovina	0	0	152	152	0	0	0	6	6	0	0	0	-4	-4	0	0	0	-1	-1
Bulgaria	0	0	0	0	0	0	0	15	15	0	0	0	-15	-15	0	0	0	0	0
Georgia	0	6 089	348	6 437	0	2 967	0	17	2 984	0	4 783	0	-9	4 773	0	2 988	0	0	2 988
Kyrgyzstan	0	-7	6	0	0	-52	0	0	-52	0	1	0	0	1	0	0	0	0	0
Moldova	0	0	2 282	2 282	0	0	0	-81	-81	0	0	0	1	1	0	0	0	0	0
Russian Federation	0	2 453	127	2 580	0	2 794	0	0	2 794	0	1 188	0	0	1 188	0	-10	0	0	-10
Tajikistan	0	9 946	386	10 333	0	9 549	0	0	9 549	0	12 903	0	0	12 903	0	8 211	0	0	8 211
Yugoslavia, Former	0	71 939	20 859	92 798	0	134 578	230	2 334	137 144	0	46 668	749	-298	47 120	0	34 987	57	414	35 459
Not specified CIS	0	0	6 407	6 407	0	675	4 748	0	5 424	0	-654	2 295	0	1 641	0	0	583	0	583
TOTAL REGION	0	99 280	31 647	130 928	0	157 810	4 979	2 616	165 406	0	74 786	3 045	-328	77 503	0	56 099	640	399	57 139
LATIN AMERICA AND THE CARIBBEAN																			
Antigua and Barbuda	0	0	0	0	451	0	0	0	451	0	0	0	0	0	0	0	0	0	0
Bolivia	6 333	0	432	6 765	3 968	0	0	51	4 020	10 765	0	0	177	10 942	4 437	0	0	149	4 586
Brazil	1 377	0	0	1 377	133	0	0	0	133	-11	0	0	0	-11	9	0	0	0	9
Chile	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colombia	2 775	0	7	2 782	1 853	0	0	4	1 857	64	0	0	4	69	1 594	0	0	0	1 594

ANNEX III TABLE 2: WFP OPERATIONAL EXPENDITURES¹ BY COUNTRY, REGION AND TYPE 1995-98 (thousand dollars)

	1 995				1 996				1 997					1998 ²					
	Develop-ment	Relief	Extra-budgetary	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total
Costa Rica	1 517	0	0	1 517	833	0	0	44	878	1	0	0	2	4	0	0	0	0	0
Cuba	5 608	0	141	5 750	9 431	0	0	692	10 123	4 413	2 925	0	-1	7 337	2 236	1 391	0	51	3 678
Dominica	1 294	0	0	1 294	219	0	0	0	219	0	0	0	0	0	0	0	0	0	0
Dominican Republic	1 224	0	181	1 405	2 993	0	0	203	3 196	1 823	0	0	13	1 837	5 008	0	0	603	5 611
Ecuador	4 053	0	294	4 347	2 980	0	0	4	2 984	1 813	0	0	-2	1 810	4 979	185	0	3	5 168
El Salvador	7 558	0	224	7 783	4 560	0	0	31	4 592	1 456	0	0	2	1 458	5 320	0	0	28	5 348
Grenada	0	0	0	0	457	0	0	0	457	0	0	0	0	0	0	0	0	0	0
Guatemala	6 903	0	48	6 951	7 977	0	0	342	8 319	5 653	981	0	12	6 756	4 100	274	0	232	4 608
Guyana	2 349	0	14	2 363	3 894	0	0	138	4 032	997	0	0	45	1 042	815	0	0	0	815
Haiti	3 308	969	290	4 569	2 563	1 383	0	459	4 405	2 815	1 666	0	194	4 676	3 223	478	0	1 524	5 226
Honduras	7 203	6	269	7 480	2 514	0	0	32	2 547	3 877	0	0	91	3 969	5 296	0	0	105	5 401
Jamaica	7 393	0	179	7 572	618	0	0	64	682	1 411	0	0	50	1 461	-12	0	0	1	-10
Mexico	6 305	782	32	7 120	289	-198	0	0	91	-14	13	0	0	0	0	0	0	0	0
Nicaragua	6 749	0	157	6 906	5 073	0	0	429	5 502	6 631	59	0	239	6 930	5 964	8 994	0	484	15 443
Panama	817	0	0	817	1 063	0	0	48	1 111	764	0	0	27	792	278	0	0	13	291
Paraguay	478	0	0	478	1 469	0	0	0	1 469	504	0	0	0	504	0	0	0	0	0
Peru	10 992	-2	320	11 311	1 990	0	0	47	2 038	3 136	0	0	23	3 159	6 005	0	0	73	6 078
St. Kitts and Nevis	0	0	0	0	430	0	0	0	430	0	0	0	0	0	0	0	0	0	0
St. Lucia	557	0	0	557	947	0	0	0	947	0	0	0	0	0	0	0	0	0	0
St. Vincent and the Gren.	0	0	0	0	462	0	0	0	462	0	0	0	0	0	0	0	0	0	0
TOTAL REGION	84 801	1 757	2 594	89 153	57 178	1 184	0	2 594	60 957	46 105	5 647	0	989	52 742	49 259	11 323	0	3 270	63 853

MIDDLE EAST AND NORTH AFRICA

Algeria	0	4 820	397	5 218	0	6 115	0	323	6 439	0	897	0	79	976	0	4 516	0	464	4 981
Egypt	7 429	0	78	7 508	1 731	0	0	39	1 770	6 196	0	0	0	6 196	4 225	0	0	1 125	5 351
Gaza/West Bank	910	178	661	1 750	1 438	500	0	134	2 073	1 713	211	0	-12	1 911	4 551	5	0	0	4 557
Iran	0	4 099	0	4 099	0	2 122	0	40	2 162	0	3 735	0	0	3 735	0	3 299	0	0	3 299
Iraq (*)	0	23 775	2 780	26 556	0	45 974	0	697	46 672	0	18 907	11 169	7 527	37 605	0	6 778	13 305	6 759	26 843

ANNEX III TABLE 2: WFP OPERATIONAL EXPENDITURES¹ BY COUNTRY, REGION AND TYPE 1995-98 (thousand dollars)

	1 995				1 996					1 997					1998 ²				
	Develop-ment	Relief	Extra-budgetary	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total	Develop-ment	Relief	Special Oper.	Trust Funds ⁴	Total
Jordan	5 435	0	15	5 450	5 487	0	0	23	5 510	4 824	-40	0	-14	4 769	1 990	0	0	0	1 990
Lebanon	2 179	0	0	2 179	1 175	0	0	0	1 175	0	0	0	0	0	0	0	0	0	0
Morocco	1 983	0	18	2 001	689	0	0	0	689	4 314	0	0	0	4 314	407	0	0	0	407
Syrian Arab Republic	13 744	-33	0	13 710	6 619	-19	0	11	6 611	10 519	0	0	0	10 519	5 756	0	0	0	5 756
Tunisia	3 872	0	0	3 872	5 350	0	0	0	5 350	2 792	0	0	5	2 798	-88	0	0	0	-88
Turkey	439	-1	0	438	346	4	0	0	350	2	0	0	0	2	0	0	0	0	0
Yemen	4 222	1 197	13	5 433	8 653	152	0	174	8 979	9 639	639	0	0	10 278	5 171	684	0	-1	5 853
TOTAL REGION	40 213	34 035	3 962	78 214	# 31 488	54 848	0	1 441	87 780	# 39 999	24 349	11 169	7 585	83 103	# 22 012	15 282	13 305	8 347	58 949
ALL REGIONS	340 844	613 924	141 644	1 096 412	#####	737 655	18 457	31 124	1 066 328	332 691	703 366	20 653	11 077	1 067 787	254 315	915 504	34 111	23 919	1 227 849
OTHER⁵				249					10 982					13 359					9 697
GRAND TOTAL				1 096 661					1 077 309					1 081 146					1 237 546

¹ Excludes programme support and administrative costs. In this table, non-food items expenditures are included under "Trust Funds".

² Provisional figures.

³ Expenditures reported under Rwanda also cover expenditures incurred under the Great Lakes Emergency Operation in Burundi, Tanzania, DRC, Uganda, and Congo. Expenditures reported under Liberia also cover expenditures incurred under the Liberia Regional refugee operation in Côte d'Ivoire, Ghana and Guinea.

⁴ Trust Funds expenditures include Bilateral, JPO and other funds in trust.

⁵ Operational expenditures such as insurance that cannot be apportioned by project or operation.

Negative figures, shown in parentheses, represent financial adjustments.

(*) Underlined data represent funds from the United Nations Security Council resolution 986, "Oil-for-food" Agreement.

**ANNEX III TABLE 3A: WFP OPERATIONAL EXPENDITURES¹ FOR DEVELOPMENT PROJECTS
AND RELIEF OPERATIONS BY COUNTRY
SPECIAL STATUS CATEGORY AND REGION, 1994-98 (thousand dollars)**

	1994			1995			1996			1997			1998 ²		
	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)
ALL RECIPIENTS	1 184 975	100,0	0,30	954 768	100,0	0,23	1 035 203	100,0	0,26	1 056 710	100,0	0,28	1 203 930	100,0	0,31
BY SPECIAL STATUS CATEGORY³															
Least developed countries	620 170	52,3	1,25	606 794	63,6	1,15	617 353	59,6	1,32	633 822	60,0	1,29	719 872	59,8	1,22
Low-income, food-deficit countries	966 423	81,6	0,29	779 797	81,7	0,23	750 056	72,5	0,25	909 585	86,1	0,29	1 078 741	89,6	0,32
China and India	52 760	4,5	0,03	42 922	4,5	0,02	50 769	4,9	0,02	61 794	5,8	0,03	48 289	4,0	0,02
Without China and India	913 663	77,1	0,75	736 875	77,2	0,60	699 287	67,6	0,83	847 791	80,2	0,86	1 030 452	85,6	0,88
BY REGION/COUNTRY GROUP															
Sub-Saharan Africa	693 744	58,5	1,67	541 024	56,7	1,31	538 194	52,0	1,34	506 067	47,9	1,18	638 687	53,1	1,48
Asia	209 432	17,7	0,08	153 650	16,1	0,05	189 515	18,3	0,07	345 535	32,7	0,13	397 316	33,0	0,14
Without China and India	156 671	13,2	0,24	110 727	11,6	0,16	138 746	13,4	0,32	283 741	26,9	0,5	349 026	29,0	0,47
Europe and CIS ⁴	152 097	12,8	4,07	99 281	10,4	0,55	162 790	15,7	0,82	77 832	7,4	0,38	56 740	4,7	1,06
Latin America and the Caribbean	55 652	4,7	0,14	86 559	9,1	0,22	58 363	5,6	0,14	51 753	4,9	0,35	60 583	5,0	0,20
North Africa and Middle East	74 050	6,2	0,25	74 254	7,8	0,24	86 342	8,3	0,28	75 523	7,1	0,25	50 603	4,2	0,21

¹ Exclusive of programme support and administrative costs. Also excluded are Trust Funds (non-programmable) expenditures and operational expenditures such as insurance that cannot be apportioned by project or operation.

² Provisional figure.

³ Actual classifications for each year.

⁴ Relief only.

ANNEX III TABLE 3B: WFP OPERATIONAL EXPENDITURES¹ FOR DEVELOPMENT PROJECTS BY COUNTRY SPECIAL STATUS CATEGORY AND REGION, 1994-98 (thousand dollars)

	1994			1995			1996			1997			1998 ²		
	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)	Expen- ditures	% of total	Per capita (dollars)
ALL RECIPIENTS	311 474	100,0	0,09	340 844	100,0	0,09	279 091	100,0	0,08	332 691	100,0	0,10	254 315	100,0	0,08
BY SPECIAL STATUS CATEGORY³															
Least developed countries	123 717	39,7	0,30	145 559	42,7	0,33	119 695	42,9	0,30	161 679	48,6	0,37	127332	50,1	0,26
Low-income, food-deficit countries	274 775	88,2	0,09	276 629	81,2	0,09	225 489	80,8	0,08	300 498	90,3	0,10	226 937	89,2	0,08
China and India	52 760	16,9	0,03	42 922	12,6	0,02	50 769	18,2	0,02	61 794	18,6	0,03	39 085	15,4	0,02
Without China and India	222 015	71,3	0,20	233 706	68,6	0,21	174 720	62,6	0,23	238 704	71,7	0,29	187 853	73,9	0,22
BY REGION/COUNTRY GROUP															
Sub-Saharan Africa	84 138	27,0	0,24	118 239	34,7	0,36	90 148	32,3	0,28	96 912	29,1	0,28	81 035	31,9	0,20
Asia	126 633	40,7	0,05	97 587	28,6	0,04	100 273	35,9	0,04	149 670	45,0	0,06	102 007	40,1	0,04
Without China and India	73 873	23,7	0,12	54 664	16,0	0,09	49 504	17,7	0,13	87 876	26,4	0,24	62 922	24,7	0,17
Latin America and the Caribbean	53 399	17,1	0,14	84 802	24,9	0,21	57 178	20,5	0,14	46 106	13,9	0,31	49 259	19,4	0,16
North Africa and Middle East	47 304	15,2	0,27	40 217	11,8	0,21	31 491	11,3	0,16	40 003	12,0	0,20	22 014	8,7	0,18

¹ Exclusive of programme support and administrative costs. Also excluded are non-food items and operational expenditures such as insurance that cannot be apportioned by project or operation.

² Provisional figure.

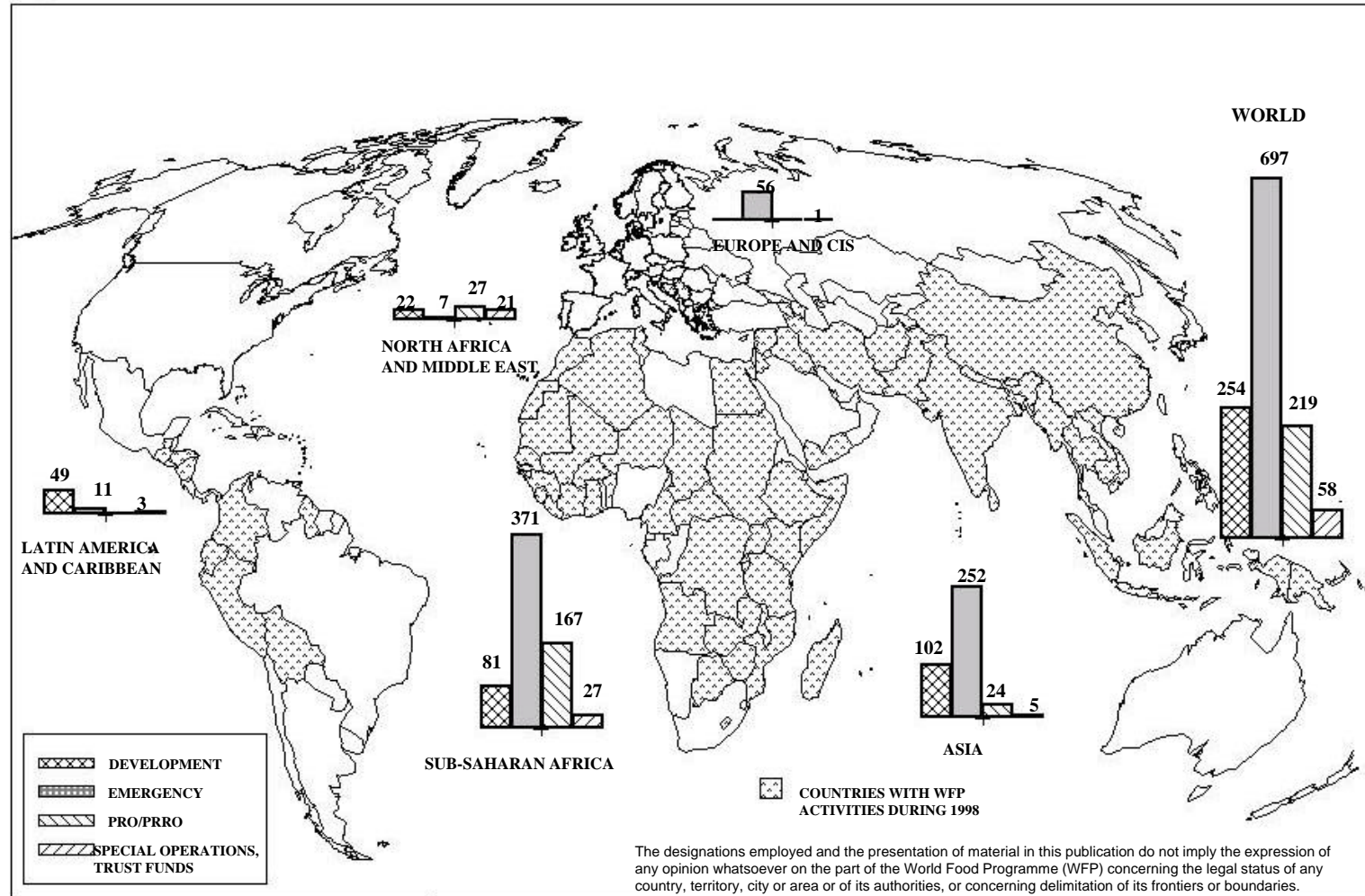
³ Actual classifications for each year.

ANNEX IV



World Food Programme

WFP OPERATIONAL EXPENDITURES BY REGION AND BY TYPE, 1998 (IN MILLION DOLLARS)



ANNEX V TABLE 1: TOTAL CONFIRMED CONTRIBUTIONS FOR 1998 BY DONOR
(*thousand dollars*)

	Development	IEFR	IRA	PRO	SO	Others ¹	Total
Australia	25 672	17 157	518	7 930		9 393	60 670
Austria	2 550	1 090		213			3 853
Barbados	6						6
Belgium	2 769	6 964		4 728		2 446	16 908
Canada	45 136	18 371		2 178	136	1 296	67 116
China	1 125	9					1 134
China-NGO		298					298
Colombia	15						15
Czech Republic		20					20
Denmark	29 319	8 979	1 079	2 910		1 098	43 384
Egypt	200	93					293
Europe-Private Donor:	78	483					561
European Community	17 221	122 683		44 741			184 645
Finland	9 907	1 872	549	369		1 104	13 801
France	3 674	13 880		2 605		4 583	24 742
Germany	28 621	25 092		7 057	667	342	61 779
Greece		25					25
Hungary	65						65
Iceland	5						5
India	960						960
Indonesia	97						97
Ireland	1 136	2 354		352	348	188	4 378
Israel		8					8
Italy	4 520	3 307	19	15	2 007	763	10 632
Japan	13 673	78 575	937	21 918	1 200	7 453	123 757
Japan-Private Donors	84	176			59		319
Korea, Republic of		10 576					10 576
Luxembourg		270					270
Malta	8	20					28
Netherlands	2 883	20 812	4 800	13 469	2 284	1 285	45 532
New Zealand	372	80					452
Norway	26 483	6 554	1 979		1 472	497	36 984
OCHA		402					402
OPEC	150	145					295
Panama	1						1
Portugal	185						185
Qatar		58					58
Rwanda	2						2
San Marino	9						9
Slovakia	25						25
Slovenia		227					227
Spain	342	2 258			125		2 725
Sweden	9 000	8 647	2 000	7 010	2 102	752	29 511
Switzerland	2 124	11 326	1 118	5 429	1 338		21 334
Syria	6						6
Tanzania	2						2
UK	4 453	66 859		7 398	1 427	75	80 212
UK-NGO					550		550
UNDP	30						30
UNHCR		10					10
USA	112 773	559 293	2 000	194 207	7 294	717	876 284
USA-Private Donors	0	2 013		0		0	2 013
Yemen		55					55
Total	345 681	991 042	14 999	322 527	21 008	31 992	1 727 248

¹ "Others" include Bilaterals, JPOs and non-standard contributions.

ANNEX V TABLE 2: MAJOR DONORS ¹ TO WFP BY TYPE OF CONFIRMED CONTRIBUTION IN 1998
(thousands dollars)

Rank	Total		Development		IEFR		IRA		PRO		SO	
	Donor	Value	Donor	Value	Donor	Value	Donor	Value	Donor	Value	Donor	Value
1	USA	876 284	USA	112 773	USA	559 293	Netherlands	4 800	USA	194 207	USA	7 294
2	European Community	184 645	Canada	45 136	European Community	122 683	Sweden	2 000	European Community	44 741	Netherlands	2 284
3	Japan	123 757	Denmark	29 319	Japan	78 575	USA	2 000	Japan	21 918	Sweden	2 102
4	UK	80 212	Germany	28 621	UK	66 859	Norway	1 979	Netherlands	13 469	Italy	2 007
5	Canada	67 116	Norway	26 483	Germany	25 092	Switzerland	1 118	Australia	7 930	Norway	1 472
6	Germany	61 779	Australia	25 672	Netherlands	20 812	Denmark	1 079	UK	7 398	UK	1 427
7	Australia	60 670	European Community	17 221	Canada	18 371	Japan	937	Germany	7 057	Switzerland	1 338
8	Netherlands	45 532	Japan	13 673	Australia	17 157	Finland	549	Sweden	7 010	Japan	1 200
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12	France	24 742	UK	4 453	Denmark	8 979			France	2 605	Spain	125
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