

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

Executive Board
Annual Session

Rome, 27 - 29 May 1997

SUMMARY OF THE WORK OF THE ANNUAL SESSION OF THE EXECUTIVE BOARD, 1997

E

Distribution: GENERAL
WFP/EB.A/97/10
30 October 1997
ORIGINAL: ENGLISH

SUMMARY OF THE WORK OF THE MEETING

This document is published in a limited number of copies. If you are not a subscriber, you are kindly requested to bring it to the attention of the nearest United Nations office.

ANNUAL REPORT OF THE EXECUTIVE DIRECTOR FOR 1996 (1997/EB.A/1)

1. When introducing the Annual Report for 1996 (WFP/EB.A/97/3-A/Add.1), submitted to the Board for consideration and approval, the Executive Director indicated that the Report reflected the recommendations made by the Board at its last Annual Session by providing a more analytical and policy-oriented view of the Programme's work.
2. The Board commended the new structure and the content of the Report, and highlighted some issues of particular significance:
 - the increase of directed contributions;
 - the need to maintain an adequate level of resources for development;
 - the importance of inter-agency collaboration, especially at the field level, and the relationship with NGOs;
 - the importance of targeting; and
 - the usefulness of WFP's advocacy and communication efforts.
3. The Board emphasized the need to specifically consider the multilateral character of WFP in the context of the future review of the Resource and Long-term Financing policies.
4. It encouraged the Programme to continue efforts to meet its objective of providing at least 90 percent of its development assistance to low-income, food-deficit countries and at least 50 percent to least developed countries.
5. The Board welcomed the report's emphasis on the role of women in WFP-supported activities. The Programme was also commended for its ongoing reform and decentralization and for its efforts to increase financial accountability.

**ANNUAL REPORT ON WFP EMERGENCY RELIEF ACTIVITIES IN 1996
(1997/EB.A/2)**

6. While appreciating the extensive information provided in the Report by the Executive Director on WFP Emergency Relief Activities in 1996, representatives regretted its late submission. They emphasized the need to maintain close coordination with other United Nations agencies, non-governmental organization (NGOs) and bilateral donors. In this context, WFP was encouraged to maintain strong participation in the development of guidelines for emergency operations in difficult working environments, an issue which is to be discussed at the forthcoming Red Cross Humanitarian Summit.
7. Representatives also supported WFP's efforts to move away from general feeding, to targeted feeding whenever feasible. They encouraged WFP to continue providing follow-up on the Beijing Commitments to Women and expressed appreciation for the focus on gender-related activities and responsibilities provided in the Memoranda of



Understanding (MOUs) with operational partners. It was suggested that gender-specific reporting be considered in rehabilitation projects, as well as in emergency operations.

8. Representatives stressed the importance of incorporating impact indicators in project documents and reports and noted that a WFP Task Force is currently establishing guidelines on this subject. Further integration of the findings of Vulnerability Analysis and Mapping (VAM) in the work of WFP was encouraged.
9. It was recommended that in the future the Emergency Relief Activities Report be combined with the Executive Director's Annual Report, and that reporting on emergency operations also make reference to lessons learned.

ANNUAL REPORT OF THE EXECUTIVE BOARD TO ECOSOC AND THE FAO COUNCIL (1997/EB.A/3)

10. In discussing this agenda item, the Board commended the report for its conciseness. It was noted, however, that the report should take credit for the finest Internet Web site in the United Nations system and for several Memoranda of Understanding with NGOs. The Board requested that this additional information be introduced in the present report. Representatives also suggested making special reference to the collaboration between WFP and FAO.
11. The Board indicated its satisfaction with the positive approach taken by the Programme with regard to the resident coordinator system, and requested that additional information about WFP's contribution to the strengthening of the resident coordinator system also be inserted in the report.
12. Furthermore, the Board requested that information on WFP's follow-up to the Copenhagen Social Summit be incorporated in the report, before forwarding it to ECOSOC and the FAO Council.
13. Some representatives felt that the picture drawn with regard to the programme approach did not adequately reflect the constraints and bottlenecks that might be encountered at the operational level. It was recommended that such information be provided in future reports.
14. It was also suggested that future reports devote more attention to Commitment Five of the World Food Summit Plan of Action on strengthening linkages, and to consider carefully the institutional arrangements when dealing with the relief-development continuum.

STRATEGIC AND FINANCIAL PLAN (1998-2001) (1997/EB.A/4)

15. The Board generally agreed that the Strategic and Financial Plan, 1998-2001 (WFP/EB.A/97/4-A) presented WFP's strategic priorities in clear terms, and that it addressed appropriate issues.
16. The Board confirmed its endorsement of the strategic priorities for a people-centred approach to programming food aid, while underlining the importance of the following points described under each priority.
 - a) Strengthening WFP's knowledge base:



- WFP's collaboration with other United Nations agencies and partners should be further elaborated in concrete terms.
 - The Vulnerability Analysis and Mapping (VAM) facility must coordinate closely with initiatives in similar fields by FAO's Global Information and Early Warning System (GIEWS), other United Nations agencies, bilateral and non-governmental organizations. VAM should be regarded as an effective tool but not as an end in itself.
- b) Sharpening WFP's focus on countries with the greatest need for food aid:
- WFP should increase the programming of its development activities in least developed countries (LDCs).
 - Cost-sharing arrangements with recipient governments and de-earmarking of commitments should be carried out in a transparent manner, in full consultation with recipient governments.
- c) Increasing the targeting of resources to women and children:
No points were raised under this strategic priority.
- d) Promoting national institution-building and local capacity-building through broad-based participation:
- Such activity should be conducted in an integrated manner in collaboration with other agencies;
 - WFP should withhold the proposal on the use of a cash-wage component until further consultation with the Board.
- e) Adopting operational policies, practices and programmes to deliver effective emergency, rehabilitation and development assistance:
- WFP should aim to capitalize on the comparative advantage of food aid.
 - WFP should intensify the monitoring of impact.
 - WFP emergency response capacity should be further supported and reinforced.
- f) Moving the issues of hunger and poverty to the centre of the international agenda:
- WFP should play an effective role in the follow-up to the Rome Declaration on World Food Security and its Plan of Action.
17. The Board further endorsed the general thrust of the strategic priorities for organizational capacity and resources, which includes:
- a) organizational change and, in particular, decentralization efforts ensuring close linkage between headquarters and country offices for all decision making;
 - b) building a new staff profile which includes a stronger emergency orientation and gender balance in WFP's staff composition;
 - c) increased accountability; and
 - d) better mobilization of resources;
 - e) it was suggested that the Secretariat strengthen its publicity of its activities, especially in development.



18. The Board emphasized the need for further discussion on the multilateral character of WFP in the context of the forthcoming review of the Resource and Long-term Financing policies.
19. The Board noted that addressing the fundamental issues of hunger and poverty was a central theme of the Rome Declaration on World Food Security, and that development was a critical aspect in the prevention and mitigation of emergencies.
20. In reviewing the Financial Plan, the Board emphasized the following:
 - a) the biennial budget and its preparation must be based on a realistic level of activities and resource flows that are kept under regular review;
 - b) programme support and administrative (PSA) and operational costs should be kept at a minimum level while maintaining WFP's effective operation;
 - c) The Secretariat should propose alternative uses of interest income in order for the Board to provide guidance; and
 - d) it is important that the policy of full cost recovery be fully adhered to by all donors.
21. The Board recommended that, in preparing the subsequent Strategic and Financial Plan, WFP incorporate those aspects commented upon by the FAO Finance Committee and the United Nations Advisory Committee on Administrative and Budgetary Questions (ACABQ).

BUDGETARY PERFORMANCE REPORT FOR 1996 (1997/EB.A/5)

22. In discussing the Budgetary performance report for 1996 (WFP/EB.A/97/4-B), the Board sought and the Secretariat provided clarifications on the system in place in the Secretariat to monitor resource availability and expenditure levels, including the budgetary control of PSA costs.
23. Some representatives felt that there was not enough recovery on indirect support costs and reiterated that the concept of full cost recovery should be adhered to by all donors. The Secretariat explained that although physical cash was not received within the year in 1996, under the new Resource and Long-term Financing policies, indirect support cost recovery was firmer and more appropriate to meet PSA expenditures than it had been at any time in the past. The Board reaffirmed the need for full implementation of the principle of full cost recovery for the PSA by all donors in accordance with the decision on Resource and Long-term Financing policies made by the CFA at its Fortieth Session. The Board requested that in future reports additional information be provided on the recovery of indirect support costs.
24. The Board stressed that it was necessary to be cost-effective on all cost items—both operational and PSA. It was noted that the PSA expenditures were within the approved level, although a review of first-year expenditures indicated over-expenditure in some items and under-expenditure in others. The Board was assured that WFP would remain within the budget approved for the biennium, making transfer among budget lines within the Executive Director's authority.
25. Some representatives expressed the view that interest income should not be used to meet the shortfall in the PSA. The Board was assured that interest income was not used to cover non-compliance of full cost recovery by any donor other than countries eligible



for International Development Assistance (IDA), as per the decision of the Fortieth Session of the CFA.

26. Representatives appreciated the progress on the Financial Management Improvement Programme (FMIP). While recognizing the long gestation period on major efforts such as FMIP, the hope was expressed for seeing a breakthrough in 1998.

WFP PLEDGING TARGET (1999-2000) (1997/EB.A/6)

27. The pledging target of one billion United States dollars (2.1 million tons) was found high when compared to the projected level of resources included in the Strategic and Financial Plan 1998-2001 and the decline in resources for development. However, the Board found it to be acceptable in view of the high level of needs in developing countries. It endorsed the target recommended by the Executive Director.

FUNDING AND REPLENISHMENT OF THE OPERATIONAL RESERVE (1997/EB.A/7)

28. Several representatives noted that the Operational Reserve had been funded from surplus at the full disposal of the Programme, which meant multilateral contributions. One representative stated that, as there were no "directed multilateral operations" in the long-term financing and resourcing model, those words should be deleted from paragraph 16 i) of the document.
29. A few representatives pointed out that, since the Operational Reserve had been brought to its maximum level, there was no point in making reference to replenishment. One representative noticed that the word "replenished" was used with different meanings and that all ambiguity would disappear if this word was replaced by "reimbursed" in paragraph 17.

FUNDING OF WFP'S AFTER-SERVICE MEDICAL LIABILITIES (1997/EB.A/8)

30. In discussing Funding of WFP's after-service medical liabilities (WFP/EB.A/97/4-E), the Board concurred on the necessary recognition of such liabilities; it also agreed on the need for a definite amortization plan for accrued liabilities and a scheme to cover the liabilities likely to accrue ("service cost").
31. The Board noted that the Secretariat's recommendations did not comprise specific financial implications.
32. One representative pointed out that after-service medical liabilities had probably already been discussed in some United Nations coordination committee as the issue was not unique to WFP.
33. A few representatives wondered whether the possibility of increasing retirees' contributions had been contemplated.



34. Most representatives considered that the accrued liabilities were a result of the past, and that they could be financed through surpluses, while the service cost should be included in the budget.
35. The Director of FS indicated that an Administrative Committee on Coordination (ACC) document provides comparative information within the United Nations system. He emphasized that the issue of increasing premiums for retirees was not a purely financial one and that it involved labour relations matters. It was noted, however, that, particularly for retirees, the existing cap would limit the effect of such an increase. He made reference to the cost of amortization over 15 and 30 years quoted in paragraph 27 of the document, as well as to the yearly service cost quoted in paragraph 29. He stated that an additional actuarial study would be undertaken in order to determine the exact share of WFP's accrued liabilities. However, he indicated that the order of magnitude of the figures included in the original study was correct.
36. The Board noted that an actuarial study was to be commissioned to determine the precise value of WFP's accrued liabilities. The Board requested the Secretariat to provide an additional document well in advance of the following session to show the implications of a hybrid system with amortization plans over 15 and 30 years and recourse to future surpluses. The Secretariat should also have contacts with the representatives most interested in this matter and answer their questions before the session.

PROGRESS REPORT ON THE IMPLEMENTATION OF THE EXTERNAL AUDITOR'S RECOMMENDATIONS, 1992-93 AND 1994-95 (1997/EB.A/9)

37. The Board examined the Progress report on the implementation of the External Auditor's recommendations, 1992-93 and 1994-95 (WFP/EB.A/97/4-F).
38. The Board commended the Secretariat on the new presentation and the clarity of the document and the progress made. The Deputy Executive Director and the Director of FS answered questions from representatives; in particular, it was specified that the External Auditor's recommendation in respect to internal transport, storage and handling (ITSH) would be addressed before the next closure.
39. Two representatives suggested that the Secretariat organize informal briefing meetings with the External Auditor to discuss complex financial issues. The Deputy Executive Director stated that consultations would be necessary to explore modalities for such meetings.

POLICIES ON THE USE OF WFP FOOD AID IN RELIEF AND DEVELOPMENT ACTIVITIES: MONETIZATION (1997/EB.A/10)

40. In introducing the paper on Policies on the use of WFP food aid in relief and development activities: Monetization (WFP/EB.A/97/5-A), the Secretariat pointed out that much has changed since the governing body last discussed the issue of monetization. WFP is no longer in the position of having very large amounts of commodities and very limited cash: by integrating non-food support costs as budget items, the new Resource and Long-term Financing policies have drastically reduced the need for monetization



undertaken to cover those costs; and in line with the Mission Statement, the Programme has a sharper focus on activities where food itself is needed. This means that there is no longer a rationale for monetizing food to obtain general resources for development.

41. The Board endorsed the proposal for a more restricted approach to monetization, but without completely eliminating the possibility of monetization where the Board has agreed it is demonstrably the best course. The Board endorsed the Secretariat's policy recommendation that monetization would be very much the exception rather than the rule in the future. The exceptions might include: when a strong case for monetization has been made in the Country Strategy Outline and the Board has agreed to it; occasionally in emergency situations where it is clearly demonstrable that the monetization process itself has benefits over and above the transfer of income to beneficiaries and where the generation of funds is not the primary objective of commodity sales; and in cases where a donor may not otherwise be able to provide sufficient cash in a timely manner in accordance with the new Resource and Long-term Financing policies.
42. The representatives stressed the importance of operational principles that ensure that cases of monetization are demonstrably cost-effective and that the sale of commodities does not disrupt normal markets and local production in the recipient country. Consistent with the earlier decision of the governing body, commodity exchange arrangements will remain a distinct category not regarded as monetization.

REFORM AND REVITALIZATION MEASURES IN THE WORLD FOOD PROGRAMME (1997/EB.A/11)

43. In introducing "Reform and revitalization measures in the World Food Programme" (WFP/EB.A/97/5-B), the Executive Director referred to the organizational change initiative launched in 1996, the substantial staff resources devoted to active participation in the broader process of United Nations reform, and the work of the Open-ended Working Group which reviewed the General and Financial Regulations.
44. The Executive Board commended the reforms and improvements that have been introduced, noting particularly the negotiation of a revised Memorandum of Understanding (MOU) with UNHCR; the work in progress with UNICEF; WFP's participation in the Inter-Agency Standing Committee under the leadership of the Emergency Relief Coordinator, and the decentralization of staff and delegation of authority. The Board expressed interest in receiving, at a later date, an assessment of the impact of decentralization upon operational effectiveness. The Board noted the importance of continuing reform efforts.

EVALUATION WORK PLAN FOR 1997-98 (1997/EB.A/12)

45. While the proposal by some representatives to create a formal Evaluation Committee was not pursued, recommendations were made to intensify joint evaluations with other assistance partners, not only for emergency operations but also for development activities.



46. The Board recommended incorporating the feedback on recommendations and lessons contained in evaluations into WFP's current and future activities, and pursuing the development of tracking systems.

COMPOSITION OF WFP INTERNATIONAL STAFF - PERSONNEL STATISTICS REPORT AS AT 31 JANUARY 1997 (1997/EB.A/13)

47. The Board took note of the Personnel statistics report as at 31 January 1997 (WFP/EB.A/7), and expressed satisfaction with the information provided. It was considered to be comprehensive and to provide a good overview of the WFP professional workforce.
48. The increased representation of women among the Professional staff was favourably commented upon. However, some representatives expressed regret that nationals from economically developing countries were not represented in adequate numbers and requested that more efforts be made by the Secretariat to correct this imbalance.
49. One representative suggested that some explanations should accompany the tables in order to facilitate their reading. The Secretariat agreed that in future reports a brief and comprehensive analysis of the data, outlining major highlights, would be provided.

PROGRESS REPORT ON THE STATUS OF THE WFP HEADQUARTER PREMISES (1997/EB.A/14)

50. After presenting document WFP/EB.A/97/INF/7, the Executive Director thanked the Representative of Italy for his Government's efforts in securing the Parco dei Medici complex and responded to the issues of alternative "options" raised by the Board. The Executive Director confirmed that the search for alternatives had been extensive and that no other options were currently available. The Executive Director also notified the Board that the option of available space at FAO had been explored, but that FAO had stated that space was insufficient. The Italian Representative confirmed that the Parco dei Medici solution had been approved by the Government's technical offices and that it would be better to proceed speedily to resolve the accommodation of WFP Headquarters within the time frame presented by the Executive Board.

