

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Annual Session**

Rome, 8–12 June 2009



Distribution: GENERAL
WFP/EB.A/2009/17
13 November 2009
ORIGINAL: ENGLISH

SUMMARY OF THE WORK OF THE ANNUAL SESSION OF THE EXECUTIVE BOARD, 2009

In accordance with the methods of work of the Executive Board, the present document reflects the main points of its deliberations to be taken into account by the Secretariat in the implementation of the Board's decisions and recommendations, contained in the document WFP/EB.A/2009/16.

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

TABLE OF CONTENTS

| | Page |
|--|------|
| CURRENT AND FUTURE STRATEGIC ISSUES | |
| 2009/EB.A/1 Opening Remarks by the Executive Director | 1 |
| ANNUAL REPORTS | |
| 2009/EB.A/2 Annual Performance Report for 2008 | 2 |
| POLICY ISSUES | |
| 2009/EB.A/3 Follow-up to General Assembly Resolution 63/232 on Operational Activities for Development of the United Nations System: Extension of the WFP Strategic Plan | 3 |
| RESOURCE, FINANCIAL AND BUDGETARY MATTERS | |
| 2009/EB.A/4 Audited Annual Accounts, 2008 | 4 |
| 2009/EB.A/5 Appointment of Members to the Audit Committee | 5 |
| 2009/EB.A/6 Financial Framework Review | 5 |
| 2009/EB.A/7 Progress Report on the Implementation of the External Auditor Recommendations | 6 |
| 2009/EB.A/8 Report of the Inspector General | 7 |
| 2009/EB.A/9 Fifth Update on the WFP Management Plan (2008–2009) | 7 |
| 2009/EB.A/10 Annual Report of the WFP Audit Committee | 8 |
| 2009/EB.A/11 Update on the WINGS II Project | 9 |
| 2009/EB.A/12 Note on the Process for the Selection and Appointment of the External Auditor for the Term 1 July 2010–30 June 2016 | 10 |
| EVALUATION REPORTS | |
| 2009/EB.A/13 Annual Evaluation Report, 2008 | 10 |
| 2009/EB.A/14 Summary Report on the Strategic Evaluation of the Effectiveness of WFP Livelihood Recovery Interventions | 11 |
| REGIONAL PRESENTATIONS | |
| Southern, Eastern and Central Africa | 12 |
| Middle East, Central Asia and Eastern Europe | 13 |
| Asia | 14 |
| Latin America and the Caribbean | 14 |
| WEST AFRICA REGIONAL PORTFOLIO | |
| 2009/EB.A/15 Summary Evaluation Report Burkina Faso PRRO 10541.0 | 15 |
| 2009/EB.A/16 Summary Evaluation Report Liberia PRRO 10454.0 | 15 |



SOUTHERN, EASTERN AND CENTRAL AFRICA REGIONAL PORTFOLIO

| | | |
|--------------|---|----|
| 2009/EB.A/17 | Summary Evaluation Report Mozambique Country Programme 10446.0 | 17 |
| 2009/EB.A/18 | Draft Country Programme — Uganda 10807.0 (2009–2014) | 18 |
| 2009/EB.A/19 | Budget Increases to Development Activities — Madagascar Country Programme 10340.0 (2005–2009) | 18 |
| 2009/EB.A/20 | Protracted Relief and Recovery Operations — Kenya 10258.3 | 18 |
| 2009/EB.A/21 | Budget Increases to Protracted Relief and Recovery Operations — Ethiopia 10665.0 | 18 |

ORGANIZATIONAL AND PROCEDURAL MATTERS

| | | |
|--------------|--|----|
| 2009/EB.A/22 | Collaboration on Administrative and Business Processes among FAO, IFAD and WFP | 20 |
|--------------|--|----|

ADMINISTRATIVE AND MANAGERIAL MATTERS

| | | |
|--------------|--|----|
| 2009/EB.A/23 | Report on Post-Delivery Losses for the Period 1 January–31 December 2008 | 22 |
| 2009/EB.A/24 | Update on WFP Food Procurement | 22 |
| 2009/EB.A/25 | Information Note on Funding of Security Management Arrangements | 23 |
| 2009/EB.A/26 | WFP Security Report | 23 |

OTHER BUSINESS

| | | |
|--------------|--|----|
| 2009/EB.A/29 | Report on the Field Visit to Burkina Faso of the WFP Executive Board | 15 |
|--------------|--|----|

CURRENT AND FUTURE STRATEGIC ISSUES

Opening Remarks by the Executive Director

1. The Executive Director opened the Annual Session, extending a special greeting to new Board members and to those for whom it would be the last Board session. She welcomed Dr Margaret Chan, Director-General of the World Health Organization (WHO), highlighting the collaborations between WHO and WFP.
2. In reviewing the year's work, the Executive Director recalled the context of the global food crisis which had increased by 115 million the number of food-insecure people, the economic and financial crisis which was swelling the ranks of the hungry, and the recent dramatic upsurge in displaced persons in Pakistan. She drew attention to numerous WFP initiatives in management reforms such as the pioneering adoption of International Public Sector Accounting Standards (IPSAS): the first IPSAS-compliant financial statements had earned an unqualified audit opinion from the External Auditor, an important achievement. She also emphasized the significance of the impending move to WFP Information Network and Global System II (WINGS II) to integrate all WFP information systems; the updating of the WFP financial framework; the appointments to Deputy Executive Director positions and of a Chief Operating Officer; the creation of the Strategic Resource Allocation Committee (SRAC); the establishment of the Ethics Office and the moving of the whistle-blower protection policy under it; the development of a financial disclosure programme; new terms of reference for a fully independent Audit Committee reporting to the Board and Executive Director; improved internal oversight; investments in staff training and safety; and improved internal communications.
3. In her remarks, Dr Chan emphasized the complementary nature of work carried out by WHO and WFP: both agencies were aware of the need to work preventively as well as curatively, recognizing the need to strengthen national capacities and foster self-reliance; and both shared a focus on the most vulnerable and needy populations. Dr Chan also noted that both agencies recognized the importance of women as agents of change. WHO benefited greatly from WFP's logistics capacity, which had enabled WHO interventions to reach intended beneficiaries in dangerous, urgent and difficult situations. Dr Chan stressed that developing countries – where 1 billion people already lived on the edge of survival – would be hit hardest by the effects of climate change and would take the longest to recover: the need was to find sustainable ways to enhance nutrition and promote development. She drew attention to the 40-year disparity in life expectancy in developing and developed countries. The world was near the start of the first influenza pandemic of the century; the pandemic would be of moderate severity in countries with good health infrastructure and its impact would be felt much more by vulnerable populations. Noting that responses to these issues would have to be based on integrated development work by United Nations agencies and other actors, she added that continuity of emergency services would also be vital in this global crisis.
4. The Board unanimously welcomed the interventions by the Executive Director and Dr Chan, and expressed appreciation for WFP's achievements in 2008 and its collaboration with WHO. Board members expressed approval of WFP's work to reposition itself as a food assistance agency and to improve its governance and financial management structures, including through implementation of IPSAS, but noted that work remained to be done in consolidating needs assessments, clarifying programme categories and reviewing WFP's financial framework; increasing transparency and accountability would be major goals. Board members recommended that WFP continue to develop collaboration with the other Rome-based agencies and to increase coherence with other United Nations agencies



in responding to complex humanitarian situations created by a combination of food, health and climate change issues.

5. The Board noted the need to define clear policies and effective business practices that would promote equity, solidarity and social justice in a volatile global environment: the new Strategic Plan contained an enhanced range of response options such as cash-based approaches. Board members noted the urgent need for predictable funding in a global context of volatile food prices and exchange rates with a view to addressing the causes of hunger and creating national capacities to drive development. Some members warned that 2008 levels of funding could not be sustained in 2009 and beyond. Purchase for Progress (P4P) was particularly commended for its effect in supporting small farmers.
6. Board members also urged WFP to maintain and develop its partnerships with other United Nations agencies, non-governmental organizations (NGOs) and the private sector: the work of the High-Level Task Force on the Global Food Security Crisis was significant in this context. The need to develop systems for seamless transition from emergency to development approaches was noted: in doing this, WFP should ensure that its interventions were aligned with the policies of governments and that they were prioritized to address the needs of the most vulnerable. Questions were raised regarding the Central Emergency Response Fund (CERF) and the cluster system.
7. On the issue of staff safety in the field, the Board urged all governments to ensure that humanitarian staff could safely reach beneficiaries and stressed the importance of WFP adhering to the humanitarian principles of independence, humanity, impartiality and neutrality. Some Board members expressed particular concern about the humanitarian situation in Gaza. The Board unanimously applauded the courage and commitment of the staff of WFP in dangerous situations.
8. In response, the Executive Director thanked the Board for its support and reiterated that much was changing in the way WFP operated. Countries that had been major recipients of assistance were now significant donors, and increased coherence in operations with partners had enabled WFP to address needs in some challenging situations. She appreciated the Board's support for the ongoing internal developments in WFP, and looked forward to the planned financial framework review and other discussions. The Executive Director warmly thanked donors, noting the need for timely contributions to make allocation and financial forecasting more efficient and hence make WFP more flexible and effective in addressing hunger.

ANNUAL REPORTS

Annual Performance Report for 2008 (2009/EB.A/2) (*for approval*)

9. The Secretariat presented the Annual Performance Report (APR) for 2008, emphasizing that it referred to WFP's prior Strategic Plan (2006–2009), and that the forthcoming one would instead reflect the Strategic Plan (2008–2011) adopted in 2008. The APR was the primary accountability tool for WFP, providing the Board with an overview of the work for 2008 in four parts: strategic context, performance results, management results and financial analysis. During 2008 the work of WFP had been affected by high food and fuel prices, which led to increased vulnerability of many people; extreme weather; and staff insecurity. Operational achievements included reaching 102.1 million people in 78 countries with 3.9 million mt of food distributed; women and children accounted for 82 percent of the beneficiaries. The APR placed WFP's work in the context of steps taken towards achieving the Millennium Development Goals (MDGs). It documented WFP



collaboration with other United Nations agencies, its work with clusters, and partnerships with NGOs and the private sector, and donor contributions. WFP had an ongoing commitment to United Nations reform, providing services to the humanitarian community, and developing performance and risk management strategies.

10. Board members congratulated the Secretariat for work done in the face of a global economic crisis, rising food prices, fluctuating fuel prices and numerous natural disasters. They especially mentioned WFP's shift from food aid to food assistance; its work in logistics and vulnerability analysis and mapping (VAM); its improved transparency, including the establishment of the Ethics Office; efforts in staff development; the implementation of IPSAS and work on WINGS II; and training in issues related to sexual harassment. WFP was commended for reaching the highest level of fundraising to date, and for increasing local procurement.
11. The Board described the APR as providing a comprehensive summary of WFP achievements through 2008. It looked forward to the APR for 2009 reflecting the new Strategic Plan and being aligned with the Strategic Results Framework. In order to improve the APR, the Board requested including comparison of indicators and analysis of trends, with greater focus on outcomes and impacts; and increasing qualitative analysis against measurable targets. They expressed interest in being able to track efficiency levels and distil key lessons.
12. In response to questions raised by the Board, the Secretariat clarified that while the number of local partners and NGOs with whom WFP were collaborating had decreased, in certain cases national governments had taken over roles, such as monitoring school feeding programmes, thereby eliminating the need for local partners. The short duration of emergency operations (EMOPs) made it difficult to report on their outcomes, but the Secretariat aimed to create systems in the field enabling better reporting on longer-term outcome results. It agreed that the expertise of WFP did not lie in determining the causes of natural disasters, but that effects of extreme weather and climate change would certainly need to be addressed by WFP. Although WFP aimed to adjust according to changing needs, core resources needed to be maintained and stabilized in order to allow for accountability and monitoring.
13. The Secretariat would make efforts to better inform the Board on pilot schemes such as the Forward Purchase Facility. In the future it would make the distinction between individual donors and pooled funding mechanisms clearer, and EMOPs and protracted relief and recovery operations (PRROs) would be reported on separately in the relevant annex. WFP was working to improve coordination with other United Nations agencies, including in relation to early warning mechanisms. Future reports would be substantially different; Board members were encouraged to share their ideas regarding preferred reporting models.

POLICY ISSUES

Follow-up to General Assembly Resolution 63/232 on Operational Activities for Development of the United Nations System: Extension of the WFP Strategic Plan (2009/EB.A/3) (*for approval*)

14. In introducing the paper, the Secretariat explained that the aim was to align WFP's strategic planning with the four-year cycle adopted in the United Nations in line with General Assembly resolution 63/232, by extending the life of the current WFP Strategic Plan to 2013.



15. The Board agreed with the proposals in the paper. Some members suggested that in view of the extension of the Strategic Plan the mid-term review should correspondingly be moved forward by a year, to 2011. Board members also noted the need to amend the General Rules of WFP so that there was no conflict with the four-year cycle and pointed out that there was now time to carry out a risk assessment as part of the mid-term review, which had not been included in the Strategic Plan. Board members approved of the added coherence the changes would bring to the United Nations system.
16. The Secretariat undertook to carry out the risk assessment as part of the mid-term review, as requested. The changes to the General Rules would be prepared for adoption at the 2009 Second Regular Session. The Secretariat agreed that the changes would enhance joint programming and overall efficiency in the United Nations system.

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Audited Annual Accounts, 2008 (2009/EB.A/4) (*for approval*)

17. The Secretariat introduced the document, noting that the annual accounts, audit opinion and report of the External Auditor were presented in a single document for the first time. The importance of IPSAS was highlighted: the move to IPSAS was to increase comparability, harmonization, transparency and accountability in the financial reporting of United Nations organizations, leading to better decision-making and enhanced governance. The events leading to the introduction of IPSAS were outlined and a short explanation was provided of what each financial statement represented. The US\$1.4 billion surplus for 2008 was explained as due mainly to the timing of revenue recognition versus expense recognition. It was also explained that WFP had made no significant changes in its budgetary practices and that the differences between actual and budgeted amounts were due to the projects not being fully funded and to the normal time lag between revenue and expense recognition. The Secretariat emphasized that the External Auditor had rendered an unqualified opinion to the 2008 financial statements prepared under IPSAS and informed the membership that WFP was the first United Nations agency to implement IPSAS and was sharing its experience and lessons learned with other agencies.
18. The External Auditor commended the move to IPSAS and the Secretariat's efforts, which had made it possible for the 2008 accounts to receive an unqualified audit opinion. The changes in the financial statements under IPSAS represented strengthening of governance and their presentation reflected radical change and improvement. However, further embedding of IPSAS in all processes and making WINGS II operational were still required to sustain WFP's achievements. He commented on specific items in the financial statements such as negative returns on investment due mainly to unrealized losses in 2008, the level of cash and inventory holdings and how appropriate these holdings were in terms of WFP requirements, funding of employee liabilities, surplus realized during the year and the need for details regarding related-party remunerations.
19. The Board also commended WFP for its achievements in the first year of IPSAS adoption, welcoming the resulting increased clarity, transparency and accountability and the benefits IPSAS adoption could bring in the longer term. Several Board members indicated that WFP would benefit from enhanced risk assessment in decision-making. Members also urged the Secretariat to ensure that its investment guidelines maintained a balance between security, liquidity and yield. The Board questioned the appropriateness of the cash, investment and inventory holdings and requested that in the future more comprehensive information be provided on losses and on the criteria and procedures envisaged for establishing adequate cash reserves and stocks for operations. It was



important to ensure that charges levied to donors be in line with actual costs. Questions were also raised with respect to funding options for employee liabilities, the relevance of the General Fund in relation to financial management under IPSAS, the applicability of other international accounting standards and the cost of implementing IPSAS.

20. In response to Board comments and queries, the Secretariat indicated that investment performance in 2008 had been affected by the market volatility primarily due to the recognition of unrealized losses based on the mark-to-market principle. The medium-term performance was positive at 3.2 percent annually since 2000 and year-to-date investment income in 2009 was positive. The Secretariat outlined actions taken to lower the risk profile. The investment policy was conservative and investments that no longer complied with it were gradually being disposed as market conditions improved. The Secretariat assured the Board that the investment policy and guidelines would be presented to the Board at its 2009 Second Regular Session. Cash and inventory levels were appropriate. The Secretariat also explained that Financial Regulations stipulated that the General Fund was an accounting entity established for recording some categories of income under separate accounts. An asset-liability study would be undertaken to determine the appropriate level of funding of employee liabilities. The reports of the FAO Finance Committee and Advisory Committee on Administrative and Budgetary Questions (ACABQ) made reference to the issues of post-delivery losses, write-offs and ex-gratia payments; future annual accounts would deal with those matters more holistically.
21. The External Auditor provided answers to specific Board questions and encouraged incorporation of more comprehensive information on losses in future accounts.

Appointment of Members to the Audit Committee (2009/EB.A/5) *(for approval)*

22. The Secretariat noted that according to the new terms of reference of the Audit Committee, new appointments to the Committee would be phased in as current members completed their terms. The Secretariat proposed two new Committee members, Mr Antoine Antoun and Ms Elvira Lazzati. Both met the criteria of having recent and relevant financial and audit experience and were highly recommended; the FAO Finance Committee and the ACABQ had both expressed their support. In order to fill the slots rapidly, suitable candidates had been located through recommendations, but in the future a broader, publicized search would be conducted.
23. The Board was unanimous in its support of the two appointments, commenting favourably on attention paid to gender and geographical distribution. They wished the departing Committee members well, particularly thanking the departing Chairperson, Mr Graham Joscelyne, for his contribution. They looked forward to the new appointments providing the Committee with excellent skills to draw upon and rendering the Audit Committee a well-rounded body.

Financial Framework Review (2009/EB.A/6) *(for consideration)*

24. The Secretariat commented that the financial framework review (FFR) document outlined the review process undertaken to date, which incorporated extensive consultations and suggestions offered. The review aimed to address three main issues: i) ensuring the predictability and stability of funding; ii) achieving a higher level of flexibility and resource; and iii) reinforcing transparency in the allocation of resources.
25. The Board commended the FFR and its methodology, declaring it an extremely important process to facilitate implementation of the Strategic Plan in adherence with the WFP mission. It confirmed its wish to be consulted on all aspects of FFR core issues. It



urged the Secretariat to ensure that accountability was maintained and the wishes and constraints of donors taken into account. The Board expressed its satisfaction with the establishment of the SRAC and looked forward to seeing how WFP would meet as many needs as possible and retain its leadership in emergency response, while remaining a voluntarily funded agency.

26. Board members supported review of tonnage-based costing and removing earmarking where possible in order to allow WFP to adjust to changing realities; a review and consistent application of WFP programme categories would need to form part of the process. They also recommended involvement of stakeholders in the review, which would lead to greater effectiveness of resource use, and encouraged WFP to support governments in fulfilling responsibilities to their own people.
27. The Secretariat noted that the tonnage-driven model would be reviewed and that the FFR would serve to enable funding to better meet needs. Any changes to the financial framework had yet to be made; in the meantime the SRAC had been established to address matters concerning resource sourcing and allocation. The Secretariat confirmed that WFP would continue enhancing its needs assessments.
28. Some members urged the Secretariat to accelerate the review process, while others were concerned that sufficient time be allowed for Board members to be consulted and for them to consult with their capitals.

Progress Report on the Implementation of the External Auditor Recommendations (2009/EB.A/7) (*for consideration*)

29. The Secretariat introduced the document, indicating that at Board request the report was now submitted on an annual basis. Of the 36 recommendations reported as outstanding, 18 (50 percent) had been implemented; because progress on 8 of those recommendations could only be made at a later stage, actual implementation rate was 64 percent. Regarding recommendations outstanding since the last reporting date, those relating to WINGS II could only be completed after the project went live in July; the recommendation on decentralization would be addressed in the 2010–2011 Management Plan.
30. The Board expressed satisfaction on the progress made by the Secretariat and the quality of the report, welcoming the change to annual reporting. Members expressed concerns regarding the delay in implementing some of the recommendations, as indicated by the Audit Committee in its report. The Board encouraged the Secretariat to continue reporting on the progress of implementation of audit recommendations and to pursue their implementation.
31. In responding to the questions raised by the members of the Board, the Secretariat indicated that it was committed to following up outstanding audit recommendations and to reporting annually to the Board on the progress made. Regarding disclosure of remuneration of senior staff, the focus was on ensuring IPSAS compliance; the current disclosure met IPSAS requirements. The Secretariat agreed that the 2010–2011 Management Plan would provide for an improved oversight framework and management objectives.
32. With reference to its future work, the External Auditor indicated that its Programme of Work for 2008–2009 had been discussed at the Second Regular Session of the Board in 2008; a document on the IPSAS dividend would be presented at the 2009 Second Regular Session, while reports on field visits would be presented to the 2010 First Regular Session. Comments made by the External Auditor in the progress report covered only those recommendations indicated by the Secretariat as completed.



Report of the Inspector General (2009/EB.A/8) (*for consideration*)

33. The report was presented by the Inspector General, who gave a brief introduction on the context, the highlights of oversight findings and a preview for 2009. He stressed that the Oversight Services Division (OSD) worked objectively in its internal audit, inspection and investigation functions, following well-defined professional standards. He noted that there had been significant improvements in oversight in 2008, especially with the implementation of IPSAS, but areas for improvements remained.
34. The Board welcomed the comprehensive report and expressed approval of the aim to enhance governance and risk-management in WFP in line with the Strategic Plan (2008–2011). Some members asked whether the resources allocated for inspection and investigation purposes had been sufficient, and requested clarification as to the stages reached in development of the new fraud and disclosure policies. A question was also raised as to how cooperating partners' activities could be monitored. Some members were concerned about the low rate of loss recovery reported and about the time required to bring prosecutions to a conclusion; there were also questions about the pace at which some audit recommendations were addressed and about the number of investigations carried out.
35. In response, the Inspector General noted that developing an internal control framework was a management responsibility. OSD sought to develop tools that would enhance its work: a quality assessment manual would be issued in 2009, and work on the fraud and disclosure policies currently involved liaison with other agencies to learn about their procedures. The Inspector General explained that there would be improvement in the systematic monitoring of activities that would harmonize the approaches used in various country offices; IPSAS and WINGS II would make a positive contribution to this. With regard to recovery of losses, the Inspector General pointed out that internal loss could be fully recovered, but that those incurred by external parties were usually difficult to recover fully; in any case, overall losses were very small in WFP given the size of the operations. Complaints became investigations following a triaging process on the basis of risks posed to WFP by the reported event. The number of complaints was also related to the increase in the number of policies governing staff behaviour.
36. The Secretariat agreed that oversight and accountability were a priority and a framework for follow-up of oversight recommendations would need to be developed.

Fifth Update on the WFP Management Plan (2008–2009) (2009/EB.A/9) (*for consideration*)

37. The Secretariat introduced the update, noting that there was an increase in the programme of work to a total value of US\$11.8 billion, a US\$749 million increase since the fourth update. The resource projection was US\$3.4 billion, compared with the US\$5.2 billion projected in 2008. WFP would soon be entering into hedging arrangements to provide certainty with respect to Programme Support and Administrative (PSA) budget planning for the next biennium.
38. Board members welcomed the document but requested greater transparency with regard to decisions about the programme of work and for clarification as to the implications for programming of the expected gap in income for 2009. Given that food prices had stabilized in 2009, Board members requested explanation of the fluctuations in the figures. It was clear that reduced funding would require prioritization of resource allocations: several Board members asked what criteria would be applied to achieve this and encouraged more robust needs assessments. The Board noted the need for more information at earlier stages regarding operational plans, and for prioritization criteria. Some members requested a forward-looking section in future Management Plan updates and a comparison of budgeted



versus actual expenditure. The Secretariat was asked to provide a covering note explaining how figures were reported in Management Plan updates.

39. The Secretariat recalled that the review of the financial framework review would address the predictability and sustainability of funding. Although food prices had stabilized, they were at a level significantly higher than those in 2002–2006, and reductions in international prices had not necessarily been passed on to consumers. A supplementary page would be issued with future updates to explain the presentation of figures. The Secretariat clarified that all projects were based on needs assessments and that they were approved under the various mechanisms used by the Board, after which funding was allocated under the established procedures. The SRAC would oversee this process and guide prioritization as necessary; criteria would include beneficiary coping mechanisms, possible funding shortfalls, pipeline breaks, funding forecasts, possibilities for leveraging and twinning. The Secretariat stressed that the situation was constantly changing; time was needed to establish appropriate systems for prioritization. It noted the Board's view that the programme of work should be as finite and realistic as possible and that it should be based on a needs-driven approach.

Annual Report of the WFP Audit Committee (2009/EB.A/10) *(for consideration)*

40. The outgoing Chairperson of the Audit Committee presented the Annual Report, touching on the highlights during the time he headed the Committee. He commended the early implementation of IPSAS, a remarkable achievement on a tight deadline, and credited WFP and the staff involved with courage and dedication.
41. The Chairperson spoke frankly; he strongly encouraged the mainstreaming of enterprise risk management (ERM) as a critical component of assurance to senior management and to Board members. Risk assessment should be an essential component for all initiatives or projects proposed or embarked upon, and management performance appraisals should be linked thereto. He emphasized the need for a high-level control policy and for an internal control framework similar to that promoted by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). He spoke of the importance of choosing Committee members based on competence first and foremost while also taking gender and geography into consideration, and of the added value of bringing in independent outsiders. He encouraged senior management to produce an annual report on internal control as part of the annual financial statement package, to provide the Board with greater assurance.
42. The outgoing Chairperson was thanked by the President and the Board for his contribution and leadership. Members of the Board welcomed the first presentation to the Board of the Audit Committee report as part of the ongoing strengthening of WFP governance. They looked forward to management response to it, especially regarding a control policy and the adoption of the COSO Framework; an annual report on internal control; an annual report from the Office of Internal Audit (OSDA); timeliness of OSDA audit reports; addressing of unimplemented internal audit recommendations; progress on the fraud prevention policy; a review of insurance coverage for staff; the business continuity plan and the results of its testing; cost-benefit evaluation of the WINGS II project; and the role of the Audit Committee in the selection process of the External Auditor. They proposed that WFP take leadership in relation to participation in the International Organization of Supreme Audit Institutions (INTOSAI) and expressed their support for ERM with results-based management (RBM). Board members agreed that management should implement risk assessment strategies, and asked the outgoing



Chairperson to provide guidance on how WFP could best gear up for the future. The Board requested that future Audit Committee annual reports be accompanied by a response from management and that a draft decision be incorporated.

43. The Chairperson responded to the Board by urging WFP to maintain its focus on its Strategic Objectives, and reiterating the need for improving its explicit risk assessment and risk management in a rapidly changing environment. Staff should be supported in overcoming obstacles and making changes where necessary.
44. The Secretariat agreed that to enhance accountability across WFP, ERM should become integral to management's activities as should the link to RBM. In response to Board suggestions, it would explore possible membership in INTOSAI. WFP was already largely compliant with COSO, but the Secretariat recognized the need for improved reporting to the Board on compliance and other issues.

Update on the WINGS II Project (2009/EB.A/11) (*for information*)

45. The Secretariat informed the Board that WINGS II was expected to go live on 1 July 2009 and that 250 staff – including 170 from 60 field offices – had been trained in its use to serve as a support team for others as the system was being implemented. The Secretariat was aware of the need to evaluate the benefits of WINGS II. In order to take into account the inevitable productivity dip during the early months of WINGS II, the assessment was planned for 2010, with the methodology, indicators and baseline established in advance and shared with the External Auditor and the Board. Most of the deferred functionalities were expected to be delivered in the 2010 and 2011 editions of WINGS II; the Secretariat would inform the Board of those plans, with cost estimates, at the Second Regular Session in November. Financial and other corporate reporting would be challenging in 2009 because the information would come from two systems, WINGS and WINGS II. The auditors had been kept informed of the situation, and it had been agreed that reporting done on the basis of the two systems was a better option than incurring the financial and operational costs involved in delaying the introduction of WINGS II to January 2010. On 30 June 2009, the current WINGS system would be deactivated and there would be a short period before the phase-in of WINGS II when transactions would be recorded manually.
46. The Board welcomed the implementation of WINGS II and expressed support for the Secretariat in its complex task. Board members looked forward to the results of the planned evaluation, but expressed some concern that WINGS II might not be a fully integrated management software system. There were questions as to its flexibility in terms of incorporating future changes, and some concern regarding the costs incurred in the decision to defer certain functionalities. Some Board members asked about the expected lifetime of the system and what after-sales services could be expected from the software provider.
47. In response, the Secretariat stressed that it had decided to use a largely non-customized and therefore more flexible version of the software than the current WINGS system; it would be easier to incorporate changes into WINGS II. The cost of introducing the outstanding elements of WINGS II would be submitted to the Board for approval as part of the next Management Plan. The Secretariat assured the Board that WINGS II was a much more integrated system, which with future editions would develop into a fully integrated system, and that its interfaces with the other corporate systems were robust.

Note on the Process for the Selection and Appointment of the External Auditor for the Term 1 July 2010–30 June 2016 (2009/EB.A/12) (for approval)

48. The President of the Board presented the rationale for the document, which aimed to expedite the process of selection and appointment of the next External Auditor.
49. Responding to questions from Board members, the General Counsel and Director, Legal Office clarified that candidates for External Auditor would be sought through a Request for Proposals, and that the procedures employed to select the incumbent External Auditor in 2001 were being considered in developing the procedure that would be recommended to the Board for approval. In response to a question on the proposed process for Board approval of the arrangements for appointment of the External Auditor, the General Counsel referred to the Board's legal authority to develop its own rules of procedure, including to make general or ad hoc adjustments to them, and to the requirements for carrying out those functions. The General Counsel described, further, how the Board had already exercised its power to develop decision-making procedures in the past, and laid out the rationale for modification of the existing procedure on approvals by correspondence in this case.

EVALUATION REPORTS

Annual Evaluation Report, 2008 (2009/EB.A/13) (for consideration)

50. In introducing the report, the Director of the Office of Evaluation (OEDE) noted that it was the first time the annual evaluation report was presented as a formal Board document. The report presented, also for the first time, a rigorous synthesis of strategic evaluations, which all covered policy issues. WFP's policies had strengths, but they also showed weaknesses in that they did not set clear objectives and were not fully implemented at the country level. The report noted the need to update policies regularly, to define objectives clearly and link them with results frameworks, and to communicate policies effectively to regional bureaux and country offices. The evaluations of operations highlighted WFP's strengths in needs assessments and logistics, and drew attention to project design deficiencies, the need for contextualizing Strategic Objectives, weaknesses in monitoring and targeting, and partners' shortcomings in the delivery of assistance and monitoring of results.
51. The Board welcomed the report as a useful and realistic assessment. Board members stressed the need to establish clear policy objectives and to ensure that communication of guidance on implementation was effective. They saw a need for a more strategic approach to setting policies, which should be realistic and should exploit WFP's known strengths and capabilities. It was important to ensure that policies were kept up to date and relevant. Some members stressed the need for more standardized evaluation approaches across WFP. OEDE was urged to continue to improve its evaluation tools so that they responded to the needs of stakeholders.
52. Some Board members encouraged the Secretariat to enhance management responses to evaluation findings and to develop formal and informal ways of reporting on their implementation. Several members stressed the need for independence of the evaluation function and asked for a dialogue between management and the Board to further enhance OEDE's independence.



53. Board members asked that future reports include dates on which policies had been approved and more detail on individual successes and shortcomings in operations. The need to develop staff capacity to carry out decentralized evaluations and to implement lessons learned was noted. Board members also noted that the evaluations had revealed a need to ensure that targeting criteria were clear and based on assessed needs and that local communities had to be involved in targeting and distribution processes. The Board raised concerns about the funding level for the evaluation function and requested that necessary resources be provided, including for decentralized evaluations.
54. In response, the Director of OEDE stressed that the report identified aggregate findings; this focus had been chosen so as to inform the Board and management on broader issues that went beyond those of individual countries or operations, which were detailed in separate evaluation reports. The reasons for shortfalls in the 2008 work programme were attributable to limited financial resources from mid-2007 and high staff turnover early in 2008. OEDE appreciated the Board's suggestion that it continue its ongoing efforts to enhance the quality of its evaluations. With regard to the independence of the evaluation function, OEDE emphasized that steps had been taken to increase it; the Secretariat agreed that the matter could be looked into. The Secretariat also undertook to work on a systematic approach to policy through the Bureau, bearing in mind the recommendations of strategic evaluations. The need for outcome-oriented results frameworks for operations was noted as part of the work to improve programme design. Work was in progress on integrating evaluation approaches, for example through the Common Monitoring and Evaluation Approach. Over the next six to eight months, WINGS II would be providing the reporting tools to improve monitoring standardization.

Summary Report on the Strategic Evaluation of the Effectiveness of WFP Livelihood Recovery Interventions (2009/EB.A/14) (*for consideration*)

55. The Director of OEDE presented the evaluation report focusing on livelihood activities within recovery responses, which involved case studies in nine countries. The evaluation showed diverse experiences, and not necessarily clear patterns. The evaluation highlighted the importance of understanding people's livelihood recovery strategies (LRS) to suitably adapt WFP's food assistance tools to them. WFP operations appeared effective in meeting immediate food needs and, to some extent, averting negative coping strategies; but they were less effective in rebuilding livelihoods because of unclear objectives, the short time allowed for rebuilding and funding constraints. The Director of OEDE suggested that it was essential for WFP to understand better its role in recovery and to set clear, attainable objectives as WFP strove to achieve Strategic Objectives 1 and 3. This would make an important contribution to WFP's shift from food aid to food assistance based on a deeper understanding of how to fill the gap between emergency and development.
56. Management welcomed the recommendations and expressed its intention to implement them all. WFP would select one country in each region as a venue for improving programme design and efficiency; lessons learned would be shared in the region. Management also indicated that it planned to review resource mobilization strategies and provide support to those countries to help them to mobilize funds from pooled funding mechanisms for building livelihoods, including through training in the area of cash transfers and vouchers. Staff at all levels of WFP would be made aware that management endorsed the recommendations of the evaluation.
57. The Board expressed its appreciation to OEDE for its useful recommendations, and was pleased that management had responded positively to them. While WFP was to be commended for its work, including its market analysis, Board members felt that institutional learning gained was not necessarily visible in its work. WFP was



congratulated on considerable improvements made on cash-based responses. The Board urged WFP to play an advocacy role, encouraging other actors to implement LRS activities. It also asked for an improved monitoring system with outcomes, in addition to outputs, and an increase in analysis and assessment for LRS.

58. The Board raised concerns about the “grey area” in which people were unable to recover their livelihoods. It asked WFP to consider carefully the balance required between basic food requirements, the recovery and building of assets, avoiding negative coping mechanisms, and restoring livelihoods. It suggested that this evaluation be situated within broader ongoing debates regarding relief and recovery. Several Board members were concerned about the level, duration and timing of livelihood intervention work and its limitations. They questioned whether provision of food was always the most appropriate response, such as in pastoralist communities, and encouraged attention to the voice of beneficiaries. Members commented on the potential for WFP’s interventions to distort prices in local markets and harm local producers. WFP was advised to collaborate with other actors, such as NGOs or the United Nations Development Programme (UNDP), that provided non-food aid or other kinds of assistance – and in particular with UNDP in its role as cluster lead for early recovery. It was also felt that livelihood project design and evaluation recommendations should focus more on the role of beneficiaries.
59. The Director of OEDE responded to Board queries, saying that the nine-country sample size had provided sufficient evidence to reach conclusions. OEDE would look into conducting further evaluations on the subject as part of regular operations evaluations and possibly as a future impact evaluation.

REGIONAL PRESENTATIONS

Southern, Eastern and Central Africa

60. The Regional Director of the Southern, Eastern and Central Africa Regional Bureau (OMJ) noted that the increasing number of hungry people in the region was a product of environmental, economic and political factors and that new and innovative approaches were needed to tackle the problems: voucher programmes, advance purchasing and pre-positioning of food stocks for rapid access were being implemented; projects such as micro-dams and sustainable land management were being planned. Insecurity, conflict and trade restrictions had contributed to an increase of 18 million in the number of displaced and hungry people in the Horn of Africa in 2009. Floods in Angola and Namibia had affected agricultural production and led to increased food insecurity. The global financial downturn had seriously affected countries such as Lesotho, Mozambique, Swaziland and Zambia, where mines and textile factories were closing and remittances from abroad were declining. As a result, food insecurity was increasing and support for people living with HIV (PLHIV) had to be scaled back: operations in 2008 had assisted 1.6 million PLHIV and families using customary social systems.
61. The Regional Director went on to state that US\$648 million was needed to cover immediate assessed 2009 requirements. Joint contingency planning with the Office of the United Nations High Commissioner for Refugees (UNHCR) was being undertaken in Somalia and the Democratic Republic of the Congo. Across the region enhanced food security monitoring was being implemented to acquire more accurate information on needs. Regional aims included development support such as training to increase government capacities, maximizing local procurement and implementing P4P to help to build resilience and self-sufficiency. Hand-over strategies for school feeding were being developed.



62. The Regional Director for the West Africa Regional Bureau (OMD) noted that the global financial crisis and import/export restrictions were additional burdens on poor and vulnerable people. WFP was implementing P4P, safety net and voucher programmes on an increasing scale in support of local and national economies, including in Burkina Faso, Liberia and Sierra Leone. Partnerships were being expanded to enhance nutrition responses, for example in the Sahel. The main concerns in the region were related to volatile food prices: grain prices had risen, export crop prices had declined and incomes were affected by falling remittances; poor households were particularly vulnerable. Coping mechanisms would be under particular pressure during the coming lean season. Insecurity and political uncertainties in the region were a further source of concern in that they led to increases in food prices and damaging coping practices such as sales of assets and the removal of children from school. Food stocks in the region were generally low. It was unlikely that the MDGs would be achieved in the proposed timeframe: increasing transport costs, insecurity and poor infrastructure all combined to create chronic and persistent vulnerability. The Regional Director noted the need to diversify assessments, monitoring techniques and response mechanisms and to strengthen early warning systems. In Chad, maximum effort was being made to ensure that as much food as possible was pre-positioned before the imminent rains. WFP was working with governments and partners to develop hand-over strategies to promote government ownership of operations such as school feeding.
63. The Regional Director for the Sudan (OMS) outlined the main issues in the country. In Southern Sudan, where a peace agreement, elections and a referendum were impending, there was a financial crisis resulting from the fall in oil revenues: civil service salaries were not being paid and there were no funds for development. The large number of internally displaced persons (IDPs), tribal conflicts and attacks by the Lord's Resistance Army exacerbated the situation. WFP was trying to focus on recovery, but more support for IDPs was needed and airdrops might become necessary to avoid slipping back into relief mode; P4P was starting to become effective. In Darfur, where aid agencies had been expelled in March, the United Nations was adopting a three-track approach: i) advocacy for the return of NGOs; ii) immediate responses to fill the gap left by the expelled organizations, including WFP distributing food by itself using borrowed NGO staff to feed 1 million people; and iii) long-term plans for sustaining operations. WFP was working to become more innovative and to target interventions more accurately: a new and more flexible monitoring system was being implemented on the basis of four visits per year to inspection sites with assistance tailored accordingly. Milling voucher schemes were being piloted. The regional Director noted the need for incentives to promote the return of IDPs and to establish deep field offices to support the United Nations three-track approach. The region required a further US\$200 million in the short term. The Regional Director expressed his appreciation for the support received from donors and the Board.

Middle East, Central Asia and Eastern Europe

64. The Regional Director for the Middle East, Central Asia and Eastern Europe Regional Bureau (OMC) spoke on the exacerbation of poverty and malnutrition rates in many countries in the region as remittances declined; water scarcity was a serious problem; and the threat of violence was a constraint on humanitarian access. Voucher programmes were stimulating local food production and trade in the Occupied Palestinian Territory and school feeding in Yemen had increased the number of girls attending school and the quality of education. WFP was working with governments in innovative ways that included partnerships in food technology, nutrition interventions, VAM, capacity-building, and advocacy on food security; there were also partnerships with private-sector entities to fortify flour and oil. The emergence of new donors for the region and innovative



capacity-building schemes for young people were welcome trends. The Regional Director stressed that the cost of many operations was significantly increased by the necessity to take staff safety measures such as employing security personnel, armoured vehicles and special communications equipment. There was a 25 percent shortfall in resources and funding in the region.

65. Board members welcomed the account of work in OMC and encouraged the Regional Director to continue to develop WFP's interventions. In response to a question regarding the situation in the Occupied Palestinian Territory, the Regional Director noted that WFP's operations were helping nearly 1 million people through collaboration with organizations such as the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), Islamic Relief and NGOs, and with the Government in Ramallah.

Asia

66. The acting Regional Director for the Asia Regional Bureau (OMB) emphasized that needs and costs had risen massively over the previous year; high food prices continued, and internal transportation costs were higher owing also to security issues: of the region's 14 countries, only 2 were not in a United Nations security phase. Worsening security was resulting in more losses of food and increased risks for United Nations staff, including hostage-taking. The outbreak of conflict in Pakistan had resulted in massive numbers of IDPs; the number for June was 2.2 million, with contingency for 2.5 million, at an estimated cost of US\$255 million. In Sri Lanka, IDP camp conditions were deplorable and WFP had struggled to get access to one of the main camps; WFP expected to continue its support into 2010, but was facing pipeline breaks and shortfalls. In spite of insecurity in Afghanistan, WFP had reached all 34 provinces to distribute 80,000 mt of food, but monitoring was hampered in areas off-limits to United Nations personnel; two private companies would carry out assessments in these areas. WFP was establishing a rice reserve in Thailand for advance procurement; developing an Asia-specific ready-to-use food for distribution during the first 14 days of an emergency; and developing emergency preparedness and response software with a private company, to be shared with all members of the humanitarian community.
67. In response to Board questions, the acting Regional Director explained that an innovative cash transfer project in Bangladesh focused on empowering women by providing them with cash and advice on how to spend it to acquire assets such as a cow or food preparation equipment.

Latin America and the Caribbean

68. The Regional Director for the Latin America and the Caribbean Regional Bureau (OMP) spoke of the effects the global financial crisis was having on the region given that remittance income was 13 times greater than official development assistance for the region; the other major concern for the region were severe storms. WFP's work in the region focused on avoiding the cycle of emergencies by supporting governments to establish social protection systems that would reduce people's need for repeated emergency interventions. Efforts were also being made to improve the nutrition status of children and mothers in particular. WFP was working with governments on P4P programmes, especially those linking school feeding to local farmers. South-South initiatives included an agreement between Brazil and Spain to deliver 25,000 mt of rice to Haiti and Honduras, and Mexico's new programme for exchanging experiences on social security programmes throughout the region.



69. The Board commended WFP on its work in Latin America and the Caribbean and asked for further information on sharing of experiences within the region, which included a mix of richer and poorer countries, and among regions. In response to Board comments, the Regional Director outlined recent efforts to strengthen vulnerability and market assessments, including by developing an economic shock and hunger index using variables such as remittance levels, gross domestic product, cash and foreign exchange reserves, food deficits and levels of undernourishment. WFP was consolidating its lesson learning initiatives within the region, to identify what could be shared and spread, before moving on to wider, inter-regional cooperation.

WEST AFRICA REGIONAL PORTFOLIO

Summary Evaluation Report Burkina Faso PRRO 10541.0 (2009/EB.A/15) *(for consideration)*

Summary Evaluation Report Liberia PRRO 10454.0 (2009/EB.A/16) *(for consideration)*

Report on the Field Visit to Burkina Faso of the WFP Executive Board **(2009/EB.A/29) *(for information)***

70. A member of the Board delegation presented the report on the field visit to Burkina Faso, noting the team's appreciation of the preparatory work by WFP staff and of the support offered by the Government, whose commitment to ending food insecurity and poverty was evident. The visit had given the team a good understanding of the malnutrition and education issues being addressed in the context of the global financial downturn and of the ongoing WFP operations, which included school feeding, P4P and a voucher programme – the first in Africa. The activities were well aligned with government programmes, but lack of national capacities and limited resources were constraints. The team had noted a need for greater operational coherence among the various United Nations actors and observed that WFP needed more flexibility to procure food locally. Its recommendations included greater support for government safety-net projects, more training for small farmers in aspects of nutrition and marketing, making food vouchers conditional on participation in work or health schemes, and more effective targeting and distribution modalities. The team had not been able to observe school feeding because schools were on holiday, and asked WFP to ensure that field visits were made at times when operations were ongoing.
71. The Director of OEDE introduced the evaluation documents. With regard to the Burkina Faso evaluation, the Board's attention was drawn to the finding that the operation was under-resourced and the fact that new partners had had to be found to implement the nutrition activities, which had required additional training. The programme had reduced malnutrition rates, but further work was needed to maintain progress. In Liberia, the evaluation had found that the transition from emergency to recovery needed greater support to understand better WFP's changing role in these contexts. Deliveries of food had been variable, and the monitoring and evaluation (M&E) system needed to be enhanced so that it included indicators for outcomes. Targeting, operational management and overall efficiency were highly rated, but partners' capacities were at times a constraint on implementation. An increased focus on acute malnutrition was recommended, along with improved documentation of outcomes.



72. The Board welcomed the three documents. With regard to the Burkina Faso evaluation, Board members noted the need for more resources for the operation and for further attention to building national capacities. The Board noted with approval that the PRRO was aligned with government priorities, that the evaluation recommendations were being implemented and that sharing logistics assets with the country programme had helped to contain costs. Board members commended WFP's integrated approach in the PRRO and its innovative programmes such as an urban cash project in Ouagadougou. Some Board members asked for clarification as to the improvement in nutrition, which might be attributable to various causes. Some members observed that consolidation of the targeted areas would contribute to greater effectiveness, and that WFP should seek to develop more partnerships with other actors and to promote local ownership of projects to counter the effect of funding shortfalls. Board members approved of the fact that the PRRO design had taken the 2006 vulnerability assessment into account.
73. With reference to the Liberia evaluation, the Board urged WFP to take action on the recommendation to focus its interventions more closely on target groups and inland areas, to increase participatory approaches and joint work with other agencies and to seek guidance on shifting to a development role. Board members approved of the alignment of the PRRO with government programmes, and encouraged WFP to support the Government further with capacity development in the ministries of agriculture, health and education; they were pleased that WFP's food-based interventions also supported consolidation of the peace process. There were, however, concerns that the PRRO lacked an effective system for monitoring its effectiveness, and that outputs in some activities were below expectations. Some members asked for clarification as to WFP's work with the early recovery cluster and the United Nations Peacebuilding Commission and as to the effectiveness of school feeding programmes.
74. In response, the Secretariat noted that the evaluation recommendations were being addressed in Burkina Faso and Liberia and would inform future programming. The Secretariat recognized the need to improve M&E indicators and to ensure that existing systems were more integrated. The upcoming WFP school feeding policy was expected to address some concerns raised by the Board in that regard. Work on guidance on transition issues was under way and the documentation was expected to be available early in 2010. The evaluations had not considered the attribution of nutrition outcomes but had focused on activity sites; the issue would be addressed in future evaluations. Data systems in Liberia were improving in terms of coordinating information from numerous sources, but progress was slow.
75. The Regional Director for West Africa noted that WFP was part of the United Nations country teams and that it worked to some extent with UNDP and other agencies; more joint United Nations operations were being considered. Work with the United Nations Peacebuilding Commission focused on countries and areas where conflict might resume. The country directors for Burkina Faso and Liberia noted that outcomes could rarely be attributed to single agencies: results were mainly achieved by partnerships and joint operations in support of governments. The new PRRO being designed for Liberia would target chronic malnutrition among children under 5 and the causes of food insecurity on the basis of assessments made in 2008; it would also promote capacity development in ministries with regard to nutrition policies, food security programmes, training, data acquisition, M&E and reporting capacities.



SOUTHERN, EASTERN AND CENTRAL AFRICA REGIONAL PORTFOLIO

Summary Evaluation Report Mozambique Country Programme 10446.0 (2009/EB.A/17) (*for consideration*)

76. The Director of OEDE presented the evaluation, which concluded that WFP's Mozambique country programme was relevant to the country's widespread poverty and high levels of child malnutrition and food insecurity, and in line with government priorities for poverty reduction. However, although school feeding had achieved positive results and was supported by the Government, it was not yet embedded into national education and safety net strategies. This was mainly because of costs: the Government was spending US\$3 per child per year for education, compared with the US\$42 per child required for school feeding. In relation to this, WFP had noted a need to move from training towards more systematic capacity development of government counterparts. OEDE recognized a more general need to study school feeding beneficiaries after they had completed their schooling. WFP was working with the Government of Mozambique to reduce the geographic spread of its school feeding interventions, and on planning of the hand-over strategy, for which the Government had requested a longer time frame.
77. The Board commended the document, including its methodology, which members hoped to see being adopted for other assessments. It encouraged WFP to continue enhancing its assessment of outcomes and cost-benefit analysis and its use of comparative methods. WFP support to school feeding should depend on governments' financial and political commitment to ensuring its sustainability within a strategic framework that guaranteed adequate resources. Members expressed approval for: i) the Secretariat's intention to withdraw from school feeding unless the Mozambique Government increased its support; ii) the education focus of WFP's school feeding interventions; and iii) the withdrawal from take-home rations and support to Junior Farmer Field and Life Schools. The Board felt that targeting and rations needed to be revised, to make interventions more easily replicable. Members drew attention to the Government's commitment to reducing malnutrition and improving health, and urged WFP to continue building government capacity in these areas and to provide policy support based on its wide experience of sustainable school feeding. A flexible exit strategy was needed that gradually handed over responsibilities as the Government's technical and financial capacity increased. Lessons learned in Mozambique could be implemented in school feeding in other parts of the region.
78. In its response, the Secretariat mentioned the new assessment tools it was developing, including a checklist for each activity type to be used when relevant; the University of Helsinki was collaborating on the nutritional component of school feeding. WFP's future school feeding interventions in Mozambique would depend on the Government's new Poverty Reduction Strategy, expected in 2011, and its decision to focus school feeding on either nutritional or educational outcomes. The Secretariat confirmed that hand-over would aim to ensure ownership and sustainability; the Government had already taken note of studies done by the country office in this regard.



Draft Country Programme – Uganda 10807.0 (2009–2014) (2009/EB.A/18)
(for consideration)

Budget Increases to Development Activities – Madagascar Country Programme 10340.0 (2005–2009) (2009/EB.A/19) (for approval)

Protracted Relief and Recovery Operations – Kenya 10258.3 (2009/EB.A/20)
(for approval)

Budget Increases to Protracted Relief and Recovery Operations – Ethiopia 10665.0 (2009/EB.A/21) (for approval)

79. The Secretariat presented the four items pertaining to the Southern, Eastern and Central Africa regional bureau (OMJ); the Board was also provided with the opportunity to respond to the presentation made by the Regional Director for OMJ during an earlier meeting. The budget increase for Ethiopia was to cover increased food prices and a poor main harvest in 2008; the 2009 short rains were being monitored, and contingency plans being made in case they were lower than normal. The Kenya PRRO supported the growing numbers of refugees from Somalia: there were about 303,000 refugees already in Kenya, 26,000 had arrived over the previous six months, and many more were expected throughout 2009–2011. As refugees were prohibited from carrying out any agricultural or economic activities, they were left dependent on aid. The programmes in Uganda and Madagascar were aligned with government poverty reduction policies and focused on food and nutrition security.
80. The Board thanked the Regional Director for his earlier presentation. During discussion, several Board members commented that they found it confusing to cover so many items together. Regarding crosscutting issues, Board members acknowledged the need to increase budgets following the global financial crisis, which had put some programmes at risk. WFP should help coordinate responses to crisis, and government capacity-building was particularly important. While some members reminded WFP of its core emergency response mandate, others felt that there were strong links between development and emergency assistance; crises tended to be worse in situations of low development.
81. Commending the Uganda draft country programme (CP), Board members commented that it analysed the factors undermining the country's development and encompassed elements from all project categories (EMOP, PRRO and DEV). The Board noted the long-term development nature of the CP and remarked that the template used in the draft CP could be seen as a first step in the upcoming Board dialogue on project categories and the financial framework review. Board members expressed support for the handing over of school feeding; welcomed the wide stakeholder participation that had gone into the programme design and its government-led addressing of hunger; and appreciated the way that WFP's gender policy had been integrated into the CP. There was general support to the development of warehouse receipt systems and the piloting of cash and voucher schemes as part of the move from food aid to wider social safety nets. It was suggested that proper hand-over strategies needed to be formulated for many of the project's activities. Noting the ambitious level of local purchases, some members expressed concerns about possible disruptions to agriculture markets and the activities of the private sector. Some members expressed concern about WFP's involvement in activities outside its core mandate such as building infrastructure, quality standards for agricultural products, training in post-harvest handling, promotion of farmers' organizations and market information systems, and recommended a review to determine where food assistance was



the most effective response. Members urged that feeder roads be integrated in the national road grid and that the warehouses used by the proposed warehouse receipt system be of good quality; they also mentioned reports of poor-quality food-for-work infrastructure activities and encouraged WFP to collaborate with partners to avoid this in the future.

82. The Board noted that the Madagascar budget increase aligned the WFP CP to government plans and policies, commended the cost savings and maximized efficiency, and supported the piloting of micronutrient supplements in school feeding. Members would be interested to see the results of the comprehensive food security and vulnerability assessment planned for 2010.
83. The Board applauded the Kenya PRRO's support to refugees and host populations, especially women, children and people affected by HIV and tuberculosis. However, Board members expressed concern about overcrowding and poor living conditions in the refugee camps, which could be relieved by the establishment of a fourth camp. The Board urged WFP to continue to support UNHCR and government efforts to decongest existing camps and register refugees as rapidly as possible.
84. Regarding Ethiopia, Board members noted that this was the sixth budget increase to the operation in 18 months and that the country was likely to require continued high levels of humanitarian assistance for some time, especially considering expected below-average harvests from the recent short rains. The Board recognized shortcomings in the targeting, distribution and reporting on the utilization of food supplied by WFP. There was a need to improve donor reporting, including on food actually delivered to beneficiaries rather than just dispatched; distribution of food to remote communities; and targeting of children. Members were particularly concerned about access problems in parts of the Somali region, as these had repercussions for distributions and monitoring. Although WFP had been able to diversify the sea ports used to supply Ethiopia, it was noted that congestion at the Port of Djibouti and reduced access to internal transportation infrastructure had resulted in an overall reduction in the flow of all humanitarian assistance into the country. The Board called for increased government support in addressing the above issues and requested the Secretariat to present a time-bound action plan for improving reporting and monitoring at the next Board session. The Secretariat asked that the Regional Director include an update on Ethiopia in his EB.2/2009 regional presentation.
85. In its response to the Board's comments, the Secretariat underlined that needs were particularly pressing in these operations. It reiterated its commitment to improving its own and governments' monitoring and reporting systems. Discussions about the coherence and divergence among programme categories would continue.
86. The country director for Uganda explained that WFP would monitor the effects of local purchases in order to avoid disrupting existing markets that served not only Uganda but also Kenya and the Sudan; WFP activities aimed to boost agricultural production and decrease post-harvest losses, thereby increasing the amount of cereals on the market. Ways of using warehouse receipts to expedite payments to farmers and remove market obstacles were also being studied in order to augment private-sector mechanisms prior to hand-over. WFP was increasing its engagement with the United Nations system, especially the Food and Agriculture Organization of the United Nations (FAO), which would provide farmer training in post-harvest handling, for example; efforts were also being made to bring in analytical and technical expertise, including through universities. WFP's involvement in building roads was market-driven to provide feeder roads that gave farmers access to markets. A partnership between the governments of Uganda and Egypt – which had among the best water infrastructure expertise in the world – would help ensure that the water infrastructure constructed was of good quality.



87. The country director for Kenya confirmed that overcrowding in refugee camps in Kenya was a major risk for the sustainability of WFP support to refugees, the United Nations was negotiating solutions with the Government. Refugee return depended on what happened in Somalia, and looked unlikely for the foreseeable future. With between 3,000 and 8,000 refugees arriving every month it was difficult to screen them rapidly; WFP was working with the UNHCR on a biometric system database to allow better beneficiary verification and screening. WFP had hoped to make more local purchases, but the post-election crisis had disrupted agriculture, increasing prices to uncompetitive levels. WFP had noted a need to provide skill-building to prepare young adults in the camps for their eventual return home; partnerships were particularly important in refugee camps, where the diversity of needs could not be supplied by a single agency. More support and expertise were being sought to run the camps in Kenya. The Government had provided engineers to improve roads and communications, and the Ministry of Water and Irrigation was a new partner. Agriculture interventions for the host community were based on drought-resistant crops.
88. The country director for Ethiopia explained that this had been the third year that Ethiopia's short rains had failed; the country was increasingly dependent on its long rains, and if they failed, needs would become far greater. The results of an assessment mission were expected by early August, but a budget revision may not be necessary provided the one before the Board was fully resourced: the shortfall was US\$180 million. Following the recommendations of a consultancy report, donors, WFP and the Government were liaising to improve communications and reporting. The sudden increase in needs in 2008 had created challenges for targeting, which now followed national guidelines and an improved methodology. Distribution in the Somali region had improved following introduction of the "hubs and spokes" system; by complying with government requirements, WFP and other United Nations agencies had obtained better access to this region than other humanitarian organizations, and WFP was seeking to extend this access to NGOs that also complied. WFP was working with the Government to develop an action plan for improving monitoring, targeting and reporting.

ORGANIZATIONAL AND PROCEDURAL MATTERS

Collaboration on Administrative and Business Processes among FAO, IFAD and WFP (2009/EB.A/22) (*for information*)

89. The President welcomed Mr D. Nabarro, Assistant Secretary-General, Coordination for Avian and Pandemic Influenza and the Global Food Crisis. The Executive Director endorsed the welcome, noting that coordinated international action was needed to help governments to address challenges related to nutrition and access to food in a world where sufficient food was produced but where people still went hungry.
90. Mr Nabarro paid tribute to the work of WFP staff, especially in view of the dangerous situations in which they had to operate. He then turned to the question of United Nations coordination on food security, noting the need to address problems of nutrition and health holistically through a coordinated food security system. Of particular concern were the world's 2 billion small farmers who were the most affected by the global economic downturn and climate change. The twin-track approach of the Secretary-General's High Level Task Force on the Global Food Security Crisis (HLTF) focused on advocacy and coordination to enhance food production, access and utilization, bringing together 22 United Nations and other organizations. The first needs were to raise the profile of nutrition and health in national action agendas, to improve coordination at the country level



and to revive investment in agriculture: WFP's VAM techniques and its technical capacities were important elements in the process. The HLTF was committed to using existing structures and systems such as United Nations Development Assistance Frameworks (UNDAFs), Poverty Reduction Strategy Papers (PRSPs) and the Humanitarian Coordinators and to stimulating partnerships among United Nations, NGOs and private, civil and academic organizations with a view to addressing food insecurity and developing long-term solutions to hunger. The HLTF, itself a temporary body, particularly sought to avoid the creation of new levels of bureaucracy.

91. The Board welcomed Mr Nabarro's observations. Board members appreciated the cooperation among the Rome-based organizations at the administrative and business process level, but noted the need for a strategy paper giving a shared vision of cooperation. They also asked what had been done over the past year and what was being done by the three organizations to try and take forward the Comprehensive Framework for Action. Board members asked how cooperation and advocacy could be maintained when the HLTF was disbanded noting the need for a regular HLTF reporting mechanism to publicize its achievements. Board members stressed that action on nutrition needed to be at the national policy level, but warned against the trend towards creating a new structure to handle the issues in the United Nations, particularly with regard to possible links between funding and decision-making.
92. Board members noted that access to food was as important an issue as production, and that all work should take into account emerging challenges from climate change such as the use of water resources; the gap between recovery and development approaches also needed to be addressed along with issues related to equity of access to food and resources. Board members noted that HLTF activities and responsibilities would have to be taken over by permanent United Nations bodies in the long term, but that a new level of bureaucracy would be counter-productive.
93. In response, Mr Nabarro reiterated that the HLTF was not an operational organization: its task was to bring together stakeholders and to promote advocacy to raise the profile of food security at the government level. He accepted that more reporting and communication of the many achievements of the HLTF were needed: valuable joint work was ongoing in many countries. Accepting that new administrative structures would be undesirable, Mr Nabarro nonetheless noted that a financial coordination mechanism could help to focus multilateral assistance and could make the tracking of contributions easier: the Secretary-General was looking into the possibilities of a single financial pathway for donations, but did not envisage the creation of new structures.
94. Mr Nabarro noted the P4P was a prime example of a system that promoted development and bridged the gap between recovery and development: other such flexible approaches were needed. He also acknowledged the need for a road-map for future coordinated action, but all action had to take changing realities into account: there was no panacea. The Rome-based agencies were in a good position to promote holistic global collaboration on malnutrition, not least through their common States Members who could work together to keep nutrition high on government agendas and to link issues of supply, access and utilization to reduce malnutrition.

ADMINISTRATIVE AND MANAGERIAL MATTERS

Report on Post-Delivery Losses for the Period 1 January–31 December 2008 (2009/EB.A/23) (*for consideration*)

95. The Secretariat presented the document, saying that while all losses were unacceptable, some were inevitable in the circumstances under which WFP worked; efforts were made to minimize post-delivery losses and learn from experience. As a percentage of all commodities handled, losses in 2008 were slightly down from the previous year; mitigation efforts, including building of partners' commodity management capacities, seemed to be taking effect. WFP recognized the need to hold itself and contractors accountable for any losses that occurred, and was working to improve reporting, tracking, food specifications and packaging, and had built country-level capacity in logistics and loss monitoring and reduction; field monitors were doing excellent work. The move to regular inventory reporting under IPSAS was an improvement and WFP would in future reports present further information on significant instances of commodities under recovery, along with expected finalization dates.
96. The Board acknowledged the low losses compared with the volumes handled, but emphasized the need to continue working to reduce them further. Local purchases helped to reduce food losses during transport and storage, and should be increased, without damaging local markets and trade. Members commended WFP's purchases from developing countries, which provided a market for local farmers, and appreciated its training of new procurement officers; appointment of a nutritionist to minimize losses and improve the efficiency of blended food; capacity-building on warehouse management; and WFP's work with governments to develop country-specific measures for reducing losses and tackling local problems. The Board was particularly concerned about losses to theft, which represented not only a loss to beneficiaries, but also a threat to the personnel transporting food. However, some measures to reduce such losses could put WFP's principles of neutrality and do-no-harm at risk. Members were also concerned that personnel removed for misconduct could be re-employed or contracted by other United Nations and partner agencies.
97. In its response, the Secretariat reiterated its commitment to reducing losses. WFP recognized the need to maintain neutrality; military escorts were used only when it would be impossible to deliver food without them. Personnel guilty of misconduct were punished; there was also a United Nations list of suspended operators, and WFP could not use any contractor on that list. Commodity tracking capacity had improved as a result of the preparation and staff training for IPSAS.

Update on WFP Food Procurement (2009/EB.A/24) (*for information*)

98. The document, presented for information, was discussed upon the request of a Board member. WFP had procured 2.8 million mt during the previous year, 78 percent of which had been in developing countries. Africa was the region where most food was purchased, followed by Asia; South Africa was the country with the most WFP food purchases. During 2008, volatile markets, export restrictions and food insecurity in many of the countries where WFP traditionally bought had led to slightly lower volume of purchases from least-developed and low-income countries and slightly higher from medium-income countries. Innovations had included the strengthening of local purchasing and P4P through the warehouse receipt system and nascent commodity exchanges, and the addition of a food technologist to the procurement team to ensure food quality and to advise on the food basket.



99. The Board welcomed the update and commended the Secretariat's continuing efforts to increase purchases from developing countries. Members emphasized the need to include market analysis as part of WFP's procurement strategy.
100. In response to Board requests for clarification, the Secretariat confirmed that the Afghanistan P4P pilot project had just been assessed, the one in Lao People's Democratic Republic would be assessed in October 2009, and the one in Ghana was waiting for funding for an assessment. Procurement staff were aware of the importance of market analysis, especially of commercial markets, and of ensuring that P4P and local purchases did not fuel higher prices in communities. Market analysis was the domain of food security analysts and food monitors, and WFP sought to reinforce it in its food assessments, through efforts that combined micro- and commercial-level market analysis. Purchases on developing country markets, particularly in the lower-income group, were effected through the three different modes of procurement: international, regional and local.

Information Note on Funding of Security Management Arrangements (2009/EB.A/25) (*for information*)

WFP Security Report (2009/EB.A/26) (*for information*)

101. In presenting the documents, the Secretariat emphasized its view that security should be a centrally funded function of the United Nations rather than a matter for individual agencies. Under the current system, WFP made its contribution to United Nations security costs – US\$25 million in 2008 – and also funded its own security needs through the mechanisms approved by the Board. WFP's approach to staff safety was a proactive one based on its field security officers, security assessments and security training. The Security Report gave a clear idea of the nature and scale of threats to humanitarian personnel; WFP was particularly concerned about the vulnerability of its locally recruited staff and about the dangers faced by the staff of contractors and partners.
102. The Board welcomed the documents, and expressed its condolences to the families of those who had lost their lives in security incidents. Several Board members emphasized their support for the concept of centralized United Nations funding for security, noting that the topic was under consideration in various United Nations committees and urging Board members to promote discussion of the issue. Board members stressed that all governments should as a matter of priority maximize their efforts to enhance security arrangements for humanitarian workers. The Board commended WFP security staff on their work.
103. In response, the Secretariat expressed appreciation for the Board's support, noting that WFP's work on security matters was fully coordinated with the United Nations Department for Safety and Security and other agencies and NGOs. Work was ongoing to develop security agreements with host governments and to extend security training to partners and contractors through the security cells that operated in each country and through initiatives such as Saving Lives Together.



ACRONYMS USED IN THE DOCUMENT

| | |
|---------|--|
| ACABQ | Advisory Committee on Administrative and Budgetary Questions |
| APR | Annual Performance Report |
| CERF | Central Emergency Response Fund |
| CMEA | Common Monitoring and Evaluation Approach |
| COSO | Committee of Sponsoring Organizations of the Treadway Commission |
| CP | country programme |
| EMOP | emergency operation |
| ERM | enterprise risk management |
| FAO | Food and Agriculture Organization of the United Nations |
| FFR | financial framework review |
| HLTF | High Level Task Force on the Global Food Security Crisis |
| IDP | internally displaced persons |
| INTOSAI | International Organization of Supreme Audit Institutions |
| IPSAS | International Public Sector Accounting Standards |
| ISC | indirect support costs |
| LRS | livelihood recovery strategies |
| M&E | monitoring and evaluation |
| MDGs | Millennium Development Goals |
| NGO | non-governmental organization |
| OEDE | Office of Evaluation |
| OMB | Regional Bureau Bangkok (Asia) |
| OMC | Regional Bureau Cairo (Middle East, Central Asia and Eastern Europe) |
| OMD | Regional Bureau Dakar (West Africa) |
| OMJ | Regional Bureau Johannesburg (Southern, Eastern and Central Africa) |
| OMP | Regional Bureau Panama City (Latin America and the Caribbean) |
| OMS | Regional Bureau for the Sudan |
| OSD | Oversight Services Division |
| OSDA | Office of Internal Audit |
| P4P | Purchase for Progress |
| PLHIV | people living with HIV |
| PRRO | Protracted relief and recovery operation |
| PRSP | Poverty Reduction Strategy Paper |
| PSA | Programme Support and Administrative |
| RBM | results-based management |



| | |
|----------|--|
| SRAC | Strategic Resource Allocation Committee |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNHCR | Office of the United Nations High Commissioner for Refugees |
| UNRWA | United Nations Relief and Works Agency for Palestine Refugees in the Near East |
| VAM | vulnerability analysis and mapping |
| WHO | World Health Organization |
| WINGS II | WFP Information Network and Global System II |