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## **SUMMARY OF THE WORK OF THE ANNUAL SESSION OF THE EXECUTIVE BOARD, 2003**

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 document WFP/EB.A/2003/10.

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## CURRENT AND FUTURE STRATEGIC ISSUES

### Current and Future Strategic Issues (2003/EB.A/1)

1. The Executive Director made an oral presentation outlining the major challenges facing the Programme in the year ahead. He began by stressing that the past year had been a period of unprecedented demands on the Programme, especially regarding resources. He then presented a video segment from a United States television news programme on a Benetton advertising campaign in support of a Government-of-India-funded WFP school feeding programme in Afghanistan. He pointed out that the video clip illustrated the kind of mutually supportive collaboration that the Programme intended to seek out and strengthen.
2. Regarding the situation in Iraq, the Executive Director was pleased to report that, thanks to existing food reserves and the efficient pre-positioning of food prior to the conflict, the food needs of the Iraqi people had been sufficiently met and the expected food crisis averted. Furthermore, there had been virtually no refugees as a result of the conflict and fewer internally displaced persons (IDPs) than anticipated.
3. He reported that the humanitarian aid budget for Iraq was expected to be US\$1.8–2.2 billion and that, to date, US\$700 million had been received from more than 30 donors. Once oil-for-food contracts were taken into account, the Executive Director was optimistic about the operation's being well funded. The Programme would be bringing 480,000 tons of commodities per month into the country during the period June–October for the entire Iraqi population of 27 million, and it was hoped that by December the Ministry of Trade would be able to take over. Also, he expected that the Iraq public distribution system that had functioned so well prior to the crisis would be up and running again by the year's end.
4. The Executive Director commended the work of WFP staff in the Iraq operation. He emphasized that the presence of 240 staff in the region (a full 20 percent of all Programme staff worldwide) illustrated the magnitude of the operation.
5. Despite the success of the situation in Iraq, the Executive Director stressed that it was important that the focus of the world not remain solely on that region, thus distracting donors that might otherwise provide financial support to other needy areas of the world. He underlined the importance of the upcoming G-8 summit for focusing attention and mobilizing resources for food security in Africa.
6. After presenting another video clip from a television news programme, this time on the situation in Ethiopia, the Executive Director pointed out that he was particularly concerned about the situation in that country and in Eritrea. He anticipated that by mid-summer 14 million Ethiopians would be at risk. And in Eritrea, the Programme could be expected to feed 4.6 million people.
7. The Executive Director was encouraged by the agriculture situation in southern Africa, which was expected to be better than anticipated. He informed the Board that joint FAO/WFP assessments in southern Africa indicated that a good 2004 harvest could significantly reduce food import needs, although the situation in Zimbabwe would remain difficult. Touching upon the issue of HIV/AIDS orphans in the region, he reported on the progress of WFP partnerships, describing how UNOCHA, the Food and Agriculture Organization (FAO), UNAIDS, the World Health Organization (WHO), UNICEF, UNDP and the Southern Africa Development Community (SADC), working through the Regional



Inter-Agency Coordination for Southern Africa (RIACSO), were collaborating in six African countries.

8. The Executive Director highlighted the issues facing WFP activities in several countries, including returning refugees in Afghanistan, logistical difficulties in the Democratic People's Republic of Korea and the IDP situation in Colombia. He stressed that WFP had its "hands full" around the world, and that it would continue to strive to keep the world's focus on *all* needy regions.
9. Responding to past Board concerns, the Executive Director pointed out that all 2002 reports (both financial and standard project reports) had been completed in a timely fashion. He then went on to enumerate other areas where the Programme had sought to respond to Board concerns, including in the areas of: WFP's commitment to results-based management (RBM); its commitment to installing the WFP Information Network and Global System (WINGS) in every country office and ensuring a 24-hour Help Desk to support WINGS; its switch to zero-based budgeting; its focus on strengthening its relationship with civil society; and its striving toward creating genuine partnerships with non-governmental organizations (NGOs). He also mentioned initiatives in implementing gender policies and a new human resources strategy.
10. In response to members' requests that WFP seek to broaden its donor base and increase its visibility, the Executive Director explained that the Programme was working with new supporters TPG and BBDO to improve its communication and fund-raising strategies.
11. The Executive Director described the recent restructuring of the Programme. He signalled his desire for the creation of a fourth Assistant Secretary-General (ASG)-level post, pointing out that, as WFP was the largest humanitarian agency in the world and the largest United Nations Programme, he considered it appropriate to have four ASGs. He acknowledged the need for more training and financial management in country offices, partly as a way of relieving the administrative burden placed on those offices. In discussing the Immediate Response Account (IRA), the Executive Director stressed that the Programme needed a better vehicle for responding to problems in a timely fashion and for managing risk. He explained that in the case of an emergency, precious time was often lost owing to the lack of an adequate system for responding quickly, and that better use needed to be made of the IRA.
12. The Executive Director was encouraged by WFP's focus on building relationships, including recent successful FAO/WFP collaboration on finding a new approach to assessments, and planned WFP/FAO/IFAD collaboration on ensuring that rural communities had access to agricultural inputs. He also mentioned proposed participatory activities with the World Bank and the International Monetary Fund, and a major new enterprise with FAO and the European Community.
13. The Board commended the Executive Director both for his presentation and for the excellent job he had done in his first year on the job, including his focus on RBM, timely reporting and broadening the donor base. Also noted was the hard work that WFP had carried out under difficult conditions and the confidence that donor countries around the world had in WFP, which was attested to by the high level of funding that the Programme had received.
14. The Board commended WFP for its laudable efforts in Iraq, notably its preventing an expected food crisis by pre-positioning food. Also noted was the Programme's efforts to provide assistance to the 14 million in need in southern Africa, thus averting what surely would have become a famine in that part of the world. Many members underscored the



Executive Director's point about the importance of donors' not forgetting needs in Africa, and encouraged WFP to take an even greater leadership role there.

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## ANNUAL REPORT OF THE EXECUTIVE DIRECTOR: 2002

### Annual Report of the Executive Director: 2002 (2003/EB.A/2)

15. On behalf of the Programme, the Executive Director expressed his regrets to the representative of Algeria, and to all Algerians, for the devastating loss of life suffered in the country as a result of the recent earthquake. Introducing the Annual Report, the Secretariat reiterated the challenging scale of operations in 2002: 72 million people in 82 countries had been assisted with contributions of over US\$1.8 billion; operations in Africa had accounted for more than half of WFP's work. The Annual Report included material requested at the previous session of the Board, including information on results-based management, food procurement activities and a summary of the work of the Executive Board. Section II of the report was based on the United Nations common format, noting WFP's contributions to inter-agency cooperation and United Nations goals. The format called for the inclusion of recommendations on cross-sectoral issues, eight of which were accordingly set out.
16. The Board was unanimous in its warm appreciation of WFP's work in 2002 and of the positive impact that the Executive Director had had on the Programme. The Board also expressed its appreciation of the clarity of the Annual Report.
17. The President of the Board reminded the Board that the Annual Report for 2002 would be the last one in the present format; the report for 2004 would be an Annual Performance Report. The Board's suggestions on the format and content of the Annual Performance Report were therefore solicited. It was explained that the present report contained a limited amount of financial information; this information was dealt with in detail in the Comprehensive Financial Report. The two documents were to be viewed as complementary.
18. While several members endorsed the report in its entirety, a number of members expressed reservations about some of the recommendations in paragraph 136 of the report. It was agreed that further discussion of these was necessary, and that the revised recommendations would be included in the decisions and recommendations as approved.
19. Several representatives expressed alarm over the continued decline in resources available for WFP's development category, which hampered its ability to meet the needs of chronically hungry people and help build people's resistance to food-security shocks. Others expressed concern over WFP's ability to respond to emergencies in a timely manner. Contributions from new and non-traditional donors were welcomed and warmly appreciated, but it was suggested that the small number of major donors would continue to be the major source of WFP funding; at the same time, the need to increase the donor base was recognized.
20. A number of suggestions were made as to how to address these issues, including the need for innovative, decentralized approaches to funding; expanding the IRA to give WFP greater capacity to respond rapidly to crises; and developing new rules and policies to enable non-traditional donors to make contributions to WFP. On this latter point, however, some members reiterated the importance of following the principle of full-cost recovery. It was hoped that a way could be found of increasing multilateral contributions, which would enable WFP to be more flexible in its distribution of resources.



21. There was general approval of WFP's commitment to the Millennium Development Goals as guiding principles in its work. The need to maintain a single, clear set of aims and objectives was expressed.
22. The Board appreciated the trend of increasing the procurement of food in developing countries and suggested that donors increase the level of their cash contributions so that WFP could purchase commodities on the local markets.
23. School feeding activities were warmly appreciated, as they were considered as having both immediate positive effects on children's ability to learn and also longer-term benefits in terms of community development. One donor announced a major increase in its future support to school feeding.
24. There was general approval of the zero-based budgeting and results-based management initiatives and the associated organizational and administrative changes, which would enable WFP to demonstrate outcome-level results that went beyond simple measurements of tonnages delivered and numbers of beneficiaries.
25. Several members noted the importance of collaboration with the other Rome-based agencies and other United Nations organizations. WFP's efforts in this direction were warmly approved. Greater emphasis on joint programming could have beneficial effects on efficiency and impact and could enable WFP to participate more effectively in sector-wide approaches.
26. A number of additional points were raised, including a request for the Secretariat to consider producing shorter documents prefaced by an executive summary for the Executive Board, and a question regarding whether the Annual Report was a report by the Executive Director for the Board or a report by the WFP Executive Board to the Economic and Social Council (ECOSOC). The Secretariat responded that the report was the Executive Director's report and that it was forwarded both to the Executive Board and to the FAO Council along with a summary of the Board's work and its final decisions and recommendations to ECOSOC.
27. The Secretariat responded to the issue of the preponderance of development-related recommendations in paragraph 136 by reminding the Board that the report followed the format prescribed by the United Nations Development Group (UNDG), which focused primarily on development. Responding to Board concerns about the report's recommendations being too focused on food-aid issues, the Secretariat replied that the recommendations in this year's report were made in response to a Board comment of two years ago that the recommendations were too broad in scope and should focus more on issues of concern to WFP.
28. Regarding food purchases in developing countries, the Secretariat reminded the Board that this activity was constrained by the amount of cash available for such purchases. Also to be considered was the potential negative effect of local purchases on fragile markets. The Secretariat informed the Board that it planned to submit a paper on local purchases to the Third Regular Session, in October.

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## POLICY ISSUES

### Food Aid and Livelihoods in Emergencies: Strategies for WFP (2003/EB.A/3)

29. In introducing the item on food aid and livelihoods, the Secretariat highlighted several major points addressed in the document, namely: (i) the importance of analysis; (ii) the





need for financial capacity for early response; (iii) the limitations of food aid alone; and (iv) the need for partnership and for donor support to WFP partners.

30. The Board expressed appreciation for the document, noting its relevance to the strategic priorities laid out in the Strategic Plan. The Board acknowledged that the livelihoods approach was a step in the right direction and an example of an effective link between emergency and development, and welcomed the paper's assertion that WFP would continue to place the highest priority on saving lives.
31. The Board was pleased to see that the paper acknowledged that food aid was not always the most appropriate response when seeking to support livelihoods. Most members stressed the importance of partnerships, emphasizing that food aid, when appropriate, should be only one component of a comprehensive strategy for supporting livelihoods. Several members asked whether the international humanitarian community agreed with the importance of integrating livelihoods approaches in emergencies. Some members also reminded WFP that, while food aid prevented asset depletion, it also ran the risk of creating dependency, highlighting the importance of careful targeting and exit strategies.
32. Some members noted that the paper may have understated the challenges posed by a livelihoods approach, particularly the staff capacity and cost implications, and suggested the need for an organizational commitment to building staff capacity and changing resourcing systems to permit sound programming and early intervention. Emphasis should be placed on livelihoods strategies as an important *component* of all WFP programmes, but this should not lead to blurring the lines between programme categories.
33. The Secretariat conceded that partnerships should have been dealt with more broadly in the document, but pointed out that the original intent of the document was to clarify WFP's role and improve its efforts to support livelihoods as part of the larger humanitarian response system. Certainly, WFP understood that food aid was but one tool for preserving assets and supporting livelihoods and that sound partnerships with a range of actors were essential. That said, many of the skills necessary to support livelihoods were the same as those needed to promote good programming, and this would be addressed as part of a broader effort, consistent with the Strategic Plan. The Secretariat informed the Board that WFP was aware that its internal "machinery" — vulnerability analysis and mapping, needs assessments, etc. — needed to be continually improved. It also stressed that targeting was more than a matter of "number crunching" and that the Programme took into account the traditions and values of countries when targeting.
34. The Secretariat also pointed out that it had consulted with a range of partners (including FAO, UNHCR and NGOs) on the topic, both in the field and at Headquarters, and there was general agreement that livelihood approaches should be integrated into emergency response but that there was much to be learned on how to do this effectively. Regarding the incorporation of livelihood approaches in Consolidated Appeals Processes (CAPs), the Secretariat said that there was not a special section in the CAP dedicated to livelihoods but that livelihood approaches were often integrated into the various sectoral sections. Moreover, the Secretariat emphasized the importance of funding both food and non-food components of CAPs.
35. Regarding entrance and exit strategies, and how *far* the Programme could be involved, the Secretariat pointed out that WFP could respond earlier to preserve assets in those countries where it had ongoing programmes, a long-standing presence and, therefore, good relationships and an evolving information base, such as countries with recurring natural disasters. In countries where there was no pre-existing presence, efforts would focus on improving internal systems to permit early assessment and response, but precisely when WFP intervened, and when it exited, would need to be determined on a case by case basis.



### **WFP Policy on Donations of Foods Derived from Biotechnology (2003/EB.A/4)**

36. The Secretariat presented the agenda item, pointing out that the policy contained in the document before the Board had been formulated after extensive consultations with the Directors-General of FAO, the World Trade Organization (WTO) and WHO and that, in the absence of any multilateral agreement within WTO and Codex Alimentarius, the Programme intended to implement the policy subject to amendments by the Board. It emphasized that WFP's overriding policy was to respect the right of each country to choose its own approach to the acceptance/donation of genetically modified (GM) food as food aid. The Secretariat indicated that the Programme had distributed GM/biotech foods to tens of millions of beneficiaries without any reports of ill effect, could not readily undertake effective supplementary and therapeutic feeding without them, and was confident of the safety of these foods as confirmed by their donors. The Secretariat stated that the policy first outlined in the October 2002 Board document, remained in effect, and that donors retained the right to stipulate whether or not their funds would be used to purchase GM/biotech foods.
37. Delegations expressed a number of general views with regard to GM/biotech foods. They made reference to the need to assess carefully the potential impact of GM/biotech foods on the environment and health, the capacity of GM/biotech foods to assist developing countries in addressing their food security needs, the right of individuals to choose the types of foods that they ate, and the rights of the hungry not to be deprived by governments of foods that were scientifically found to be safe. Several delegations referred to the Cartagena Protocol and its relevance once ratified.
38. With respect to the document itself, most delegations specifically endorsed the basic principle of the WFP policy — i.e., decision-making at the national level. Several delegations expressed concerns about paragraph 7 of the draft, which elaborated on the various approaches that might be taken by governments with regard to imports of GM/biotech foods. After consultations guided by the Rapporteur, the paragraph was amended slightly to make clear that it was not intended to be prescriptive and it was moved to the “Background” section of the text. Others expressed the wish that the issue of donor policies be elaborated, urging the World Food Programme to remain open to any dialogue which will be necessitated on this topic, and that the text specify that the October document remained in effect. After consultations by the Rapporteur, the text was so amended.
39. Several delegations asked for details on how the general policy would be implemented and how country offices currently dealt with the issue of donated GM/biotech foods, including the question of payment of any associated milling/processing costs. The Secretariat assured the members that Country Directors monitored national import policies systematically, consulted with recipient governments on all donations, and were aware of the production and trade patterns of GM/biotech foods. The Secretariat indicated that further details on operational guidelines would be provided in a document for information at the October 2003 session of the Executive Board.



## RESOURCE, FINANCIAL AND BUDGETARY MATTERS

### Issues on Financial Policies (2003/EB.A/5)

40. Introducing the Issues on Financial Policies document, the Secretariat pointed out that the paper was closely related to the Strategic Plan, the Management Plan and the zero-based budgeting initiative.
41. The need for continuous review of financial policies in light of evolving circumstances was highlighted. Future reviews of these policies (to be referred to in future as the “Financial Policy Framework”) would therefore be incorporated in the strategic and management planning processes.
42. The Secretariat also pointed out that before a comprehensive review of the policies could be finalized, the underlying business practices should be reviewed. A business process review (BPR) had been initiated and would focus on the throughput of contributions and cash. The Board welcomed this initiative and looked forward to an update on its progress at a later date.
43. The Secretariat noted that discussions on harmonization were ongoing in the UNDG Working Group and that further developments would be reported to the Board. The difficulties inherent in harmonizing WFP’s policies with those of other United Nations organizations had arisen because of fundamental differences between the organizations. The Board expressed the view that, notwithstanding these differences, policies should be harmonized if this led to tangible synergies between the organizations.
44. In discussing the issue of flexibility of resource usage, the Board noted that the level of contribution flexibility varied by donor and that any change to the way contributions were managed had to consider differing donor modalities. It also noted that donors had a responsibility to maximize the flexibility allowed.
45. The Secretariat confirmed that the flexibility proposals were not intended to change the budgets or agreed arrangements with donors, but to make more efficient use of donor contributions within agreed amounts.
46. A suggestion was made that an additional funding window — between the directed multilateral and multilateral funding windows — might be beneficial to record contributions that were directed not to projects but to geographical locations or to themes.
47. Improvements in transparency, reporting, budgetary discipline and financial management would also encourage more flexible contributions by donors. The Board would pay close attention to these areas, particularly to the financial management skills and systems of the organization.
48. The Secretariat confirmed that multilateral cash donations were still preferable, and efforts would continue to ensure that contributions were maximized.
49. The Board expressed the view that the level of cash balances of the organization continued to be too high, while acknowledging that considerable efforts were being made by the Secretariat to address this issue.
50. The Secretariat indicated that the principles of engagement with the private sector outlined in the paper had proved to be satisfactory and were working so far. The Board noted that the relationship between WFP and private-sector donors should be based on a clear framework and should be transparent. The discussion on emerging donors highlighted the importance of expanding WFP’s donor base in line with the objective of maximizing



the food that can be delivered to beneficiaries. The methodology of participation of emerging donors would be worked out through further discussion.

51. The Board looked forward to the forthcoming 2004–2005 Management Plan, to be prepared using a zero-based approach, and the identification of fixed and variable support costs as well as costs that might be reclassified from programme support and administrative (PSA) to direct support cost (DSC).
52. In discussing the funding and financing mechanisms, the Board agreed that the current mechanisms appeared inadequate, welcomed the innovative ideas outlined in the paper, noted the need to clearly identify risks and looked forward to further conclusions and recommendations in this area.

### **Comprehensive Financial Report (2003/EB.A/6)**

53. The Secretariat introduced the Comprehensive Financial Report, which covered a number of financial issues. The document had been prepared in line with requests made previously by the Board to rationalize the number of separate financial documents. Both the FAO Finance Committee and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had reviewed those documents and provided advice to the Board.
54. The Secretariat outlined the main parts of the report, pointing out that it included the first interim financial report to be issued during a biennium in recent times and that income to the Programme was now recognized on an accrual basis instead of on a cash basis. The Secretariat described the composition of cash balances and explained that action was being taken to deal with the level of cash balances through improvements to the internal processes. WFP's investments had been well managed in 2002 and had made good returns in a difficult investment climate. The Secretariat explained that a further 220 projects were operationally closed in 2002 and discussions were continuing with donors on re-programming unspent balances from closed projects and other accounts. The use of cash resources to purchase commodities from developed and developing countries and information on contributions from developing countries and non-traditional donors was also reported. The final two sections of the report covered the procedures for the Capital Asset Fund, which would form part of the Management Plan, and on the PSA equalization account, which would become an integral part of the biennial financial statements.
55. The Board welcomed the rationalization of financial issues in a single document. It noted that the new form of the document contained routine as well as ad hoc subjects, and noted the comments of the FAO Finance Committee, specifically on paragraph 35 of the report.
56. In response to a question, the Secretariat assured the Board that the IRA was utilized as a revolving fund, and was replenished when required. In response to a question on the levels of receivable balances, the Secretariat pointed out that some of the receivable balances were being written down, and acknowledged the need to accelerate the throughput of cash and receivables to get food to beneficiaries faster and to reduce both receivable and cash balances; work was already in progress to that end.
57. Responding to questions about the management of investments, the Secretariat explained that investments were under the oversight of an internal investment committee, which received independent advice from external members. Funds were managed mostly by external investment managers, who had been hired after a thorough selection process. The funds were prudently invested in short-term fixed-income instruments, and the performance of the investment managers was closely monitored. Given the level of funds



held locally in trust at some decentralized offices, a policy for Headquarters to provide assistance in the management and investment of these funds was being developed. The Board expressed a wish to be informed when such policy for the investment of local funds was developed. It agreed that the Secretariat's approach to investment management was both well informed and practical.

58. The importance of having a disciplined approach to project closure was emphasized, as was the provision of WINGS to the field offices, supported by in-depth training. The Secretariat informed the Board that, with WINGS fully in place later this year, the aim was to have monthly financial reporting on projects to identify potential balances. Attention would be given to the need for full training to enable country and regional office personnel to handle the system in the most effective way. The Board commented on the good progress made in the reprogramming of funds and requested an estimate of when this exercise would be completed. The Secretariat advised that, subject to the decisions of individual donors, the reprogramming should be completed by the end of 2003.
59. In response to a question on the level of detail of procedures for the Capital Asset Fund, the Secretariat pointed out that there was a need for transparent policies and systematic mechanisms for handling the Capital Asset Fund. An example of a purpose for which the Capital Asset Fund could be used was in the upgrading of computer systems, a major investment that could not be budgeted adequately on a current-year basis. Further information would be provided to the Board as part of the biennial Management Plan.
60. The Board note that options set out in the document for the possible utilization of the PSA equalization were subject to Board contemplation at a future date, when the Board would consider the annual biennial financial statements for 2002–2003.

### **Amendments to WFP Financial Regulations (2003/EB.A/7)**

61. The Secretariat explained that the Amendments to WFP Financial Regulations had been proposed to reflect two changes already approved by the Board as a result of the Governance Working Group (2000/EB.3/1), namely, the change of the "Strategic and Financial Plan" into the "Strategic Plan" and the "WFP Budget" into the biennial "Management Plan". The Board approved the amendments.

## **EVALUATION REPORTS**

### **Office of Evaluation Workplan: 2003–2004 (2003/EB.A/8)**

62. The Secretariat presented the item by reminding the Board that the Office of Evaluation Workplan was a "living document", and therefore would have to be adapted to changing circumstances. The implications of decentralization on evaluations were also mentioned. The President advised the Board that the cycle for the Office of Evaluation Workplan would be harmonized with the biennial Management Plan, beginning in October of this year.
63. The Board expressed support for the work of the Office of Evaluation and indicated that it was in favour of the OEDE Workplan's becoming henceforth part of the biennial Management Plan.
64. Many Board members questioned the absence of a budget in the Workplan, and expressed the desire that evaluations be covered in full by the PSA budget. It was explained that from now on, the evaluation budget would be made explicit in the



Management Plan, once the two documents were merged. Regarding the funding of evaluations, the Secretariat explained that WFP was working to make evaluations less dependent on DSC.

65. The Board questioned the lack of plans for joint evaluations. The Secretariat responded that WFP was examining this issue and would look for opportunities for joint evaluations with the International Fund for Agricultural Development (IFAD), FAO and other United Nations bodies. WFP already took part in the joint review of the Inter-Agency Standing Committee (IASC), which is managed by OCHA.
66. Also of concern to the Board was the cost of evaluations and the hard work involved in them. The Executive Director informed the Board of the importance he placed on evaluations as a management tool and for WFP as a “learning institution”. He assured the Board that there would be an adequate core budget for evaluations.
67. The Board suggested that, in future, the document be reclassified as “for approval” rather than “for information”. Given that the Office of Evaluation Workplan would in future be part of the biennial Management Plan, which was for approval, then the former would per force also be for approval.
68. The Board welcomed WFP’s shift from project to thematic evaluations and remarked on the need for more emphasis on humanitarian and emergency aspects of WFP’s work. The Secretariat replied that mandatory mid-term country programme evaluations constrained OEDE in its desire to do evaluations concerning humanitarian issues. It went on to explain that there was a limit to the number of evaluations that WFP could do. One member wondered about the possibility of creating new *categories* of evaluations dealing with aspects of WFP work (e.g., evaluations of logistics or contingency planning). The Secretariat replied that WFP had already begun this, and cited a recent nutrition “review” that looked at particular programmes through a nutrition lens, with a view to incorporating those programmes’ successes into programmes in other countries. The review of UNJLC in Afghanistan was another example.
69. The Board raised the issue of the need to ensure the independence of the evaluation function. Many members pointed to the efforts being made at IFAD in this regard, citing that organization as a model, and others noted that the trend within the United Nations system was towards more independence. However, one member suggested that WFP be compared with other United Nations agencies rather than with an international financial institution such as IFAD, and another member stressed that the efforts at IFAD were by no means finalized.
70. In response, the Executive Director reminded the Board that financial institutions such as IFAD and operating institutions such as WFP dealt with different issues and had different approaches. The President reminded the Board that the revised evaluation policy paper to be submitted in October would confront the issue of the independence of the evaluation function, and whether that function should be answerable to the agency head or the Executive Board. The Board looked forward to reviewing that policy paper.

### **Information Note on Results-Based Management, May 2003 (2003/EB.A/9)**

71. The Board welcomed the update on results-based management and expressed its support for WFP’s efforts in this area. It was encouraged by the measures taken by the Executive Director to strengthen RBM at the Programme, noting in particular his creation of the new Results-Based Management Division. It also applauded WFP’s focus on outcome-level results — using qualitative as well as quantitative indicators — as illustrated in the results matrix in the Strategic Plan, which the Board considered a key tool of RBM.



72. The Board advised the Secretariat that RBM was a significant undertaking, and it wondered if the Programme was aware of the difficulties inherent in performing the tasks that RBM required: setting up the necessary systems of data collection, reporting on lessons learned, adjusting operations and, most important, ensuring that RBM was a corporate-wide approach. The Secretariat responded that WFP was indeed aware of these challenges and that such work had already been done in the area of development. Acknowledging the importance of Programme-wide training, it touched upon the training that would soon begin in conjunction with its assessment of country office RBM capacity.
73. Some members expressed regret that progress in implementing RBM had not been as rapid at WFP as it had been at other Funds and Programmes, but they were encouraged by the steps that the Programme had taken so far, specifically since the appointment of the current Executive Director, to implement the approach. Other members expressed a desire for WFP to cooperate with other United Nations agencies on joint reporting of results, stressing that WFP should not invent its own unique system.
74. Several members wondered when a full set of results indicators would be completed. The Secretariat estimated that the first fully developed outcomes would be presented to the Board in the Annual Performance Report, in an interim form in May 2004, and then in full in May 2005. The Board looked forward to future reports on this issue and to further discussion.

## ADMINISTRATIVE AND MANAGERIAL MATTERS

### Report on Post-Delivery Commodity Losses for the Period 1 January–31 December 2002 (2003/EB.A/10)

75. In presenting the Report on Post-Delivery Commodity Losses for the period 1 January to 31 December 2002, the Secretariat stressed that the unwelcome issue of food losses had to be faced because it affected beneficiaries and because donors were concerned about the effectiveness of tracking systems. An internal audit of losses had been initiated to address the problems. The Secretariat reassured the Board that the level of losses as a percentage of commodities handled had not risen significantly in the reporting period. It was noted that WFP was the only United Nations agency to report losses in such a transparent form.
76. In response to questions and comments from the Board, the Secretariat acknowledged the need for improved guidelines and tracking systems, in particular to trace commodity movements from handover to implementing partners (IPs) to final delivery points (FDPs). The Commodity Movement Processing and Analysis System (COMPAS), which would be in place in all regional bureaux and country offices by the end of 2003, would enhance capacity in this respect. Training for IP personnel would be increased.
77. In discussion of the WFP programme in Bangladesh, it was pointed out that the Government of Bangladesh was also committed to reducing losses and was open to suggestions from WFP on how to achieve this; legal measures had been put in place to prevent losses resulting from misappropriation, with good results. The issue of corruption — a major factor — was also being tackled. A lesson learned was that when commodities were fortified and well packaged, losses were eliminated. Actions were being taken to implement the recommendations of the audit.
78. The Board expressed its appreciation of the report and of members' interventions, and looked forward to a detailed account of actions taken following completion of the audit review. The External Auditor was invited to give attention to this issue.



### **WFP Policy on Staff Recruitment and Geographical Representation of Member States (2003/EB.A/11)**

79. In introducing the document, the Secretariat pointed out that since the Programme was a voluntarily funded organization, it was under obligation to respect quotas by country with regard to the hiring of its staff and that the proposed methodology was therefore to be considered only as guidance.
80. There was general concern about the lateness of the document. Many members also highlighted the inadequate representation of their countries/regions among WFP staff. The Board noted WFP's strong JPO programme, but some members felt that the principles underlying that programme should be reviewed with a view to facilitating higher representation of developing countries among its participants. Some members stressed the need for WFP to continue to work towards attaining gender balance. One member requested that WFP resist pressure from any State to select persons for specific posts.
81. In view of this situation, the Executive Director proposed, and the Board accepted, that a new document be submitted at a future session.

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## **OTHER BUSINESS**

### **Briefing on the Work of the Steering Group on Governance (2003/EB.A/12)**

82. The President informed the Board on progress made in the context of the implementation of the Governance Project, approved by the Board in 2000 (WFP/EB.A/2000/4-D). He mentioned that the Steering Group on Governance and the Secretariat regularly reviewed developments in the realm of governance and that a follow-up matrix had been prepared to keep track of progress. He said that the matrix was currently under review and that a road map was being drawn up to ensure that actions were given the correct priority.

### **Joint Meeting of the Boards of UNDP/UNFPA, UNICEF and WFP — New York, 6–9 June 2003 (2003/EB.A/13)**

83. The President briefed the Board on the upcoming Joint Meeting of the Boards of UNDP/UNFPA, UNICEF and WFP, to take place in New York, 6–9 June 2003. He mentioned that there had been agreement on the inclusion of five main items on the agenda (i.e., Item 1: Simplification and harmonization; Item 2: Transition from relief to development; Item 3: Building on Monterrey; Item 4: HIV/AIDS; and Item 5: MDG monitoring, case study Nepal) and that WFP would be represented by three members of the Bureau. Noting that these joint meetings did not yet have any rules of procedure and that ways of reporting on the meetings' outcome had not yet been agreed upon, he said that Bureau members would report back to the Board in October, when the utility of these joint meetings would be discussed.

### **Review of the Conduct of Business and Time Management (2003/EB.A/14)**

84. It was agreed that Board time had been profitably used and that the timing of the meeting had been satisfactory. Needs were noted for realistic planning, for brevity in interventions and discussion and for inclusion of an organigram in the next Annual Report.

