

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Annual Session**

Rome, 27 - 29 May 1997

**DECISIONS AND
RECOMMENDATIONS
OF THE ANNUAL
SESSION OF THE
EXECUTIVE BOARD,
1997**



Distribution: GENERAL
WFP/EB.A/97/9
5 June 1997
ORIGINAL: ENGLISH

Executive Board Bureau

| | | |
|-----------------|-----------------------------------|-------------------------------|
| President: | Mr. Louis Dominici | (France) |
| Vice-President: | Mr. Atul Sinha | (India) |
| Member: | Ms. María Eulalia Jiménez | (El Salvador) |
| Member: | Ms. Mariann Kovács | (Hungary) |
| Member: | Mr. Melainine Moctar Neche | (Mauritania) |
| Rapporteur: | Mr. Mehdi Ebrahimi | (Islamic Republic of Iran) |

DECISIONS AND RECOMMENDATIONS

This document is produced in a limited number of copies. Delegates and observers are kindly requested to bring it to the meetings and to refrain from asking for additional copies

TABLE OF CONTENTS

| | | Page |
|--------------|--|------|
| | Agenda | 3 |
| | Appointment of the Rapporteur | 3 |
| 1997/EB.A/1 | Annual report of the Executive Director | 3 |
| 1997/EB.A/2 | Annual report on WFP emergency relief activities in 1996 | 3 |
| 1997/EB.A/3 | Annual report of the Executive Board to ECOSOC and the FAO Council on its activities in 1996 and on follow-up to the implementation of relevant General Assembly and ECOSOC resolutions and decisions | 3 |
| 1997/EB.A/4 | Strategic and financial plan (1998-2001) | 4 |
| 1997/EB.A/5 | Budgetary performance report for 1996 | 4 |
| 1997/EB.A/6 | Pledging target (1999-2000) | 5 |
| 1997/EB.A/7 | Funding and replenishment of the Operational Reserve | 5 |
| 1997/EB.A/8 | Funding of WFP's after-service medical liabilities | 5 |
| 1997/EB.A/9 | Progress report on the implementation of the External Auditor's recommendations, 1992-93 and 1994-95 | 5 |
| 1997/EB.A/10 | Policies on the use of WFP food aid in relief and development activities: Monetization | 6 |
| 1997/EB.A/11 | Reform and revitalization measures in the WFP | 7 |
| 1997/EB.A/12 | Evaluation work plan for 1997-98 | 7 |
| 1997/EB.A/13 | Composition of WFP international staff - personnel statistics report as at 31 January 1997 | 7 |
| 1997/EB.A/14 | Progress report on the status of the WFP Headquarter premises | 8 |
| Annex I | Agenda | 9 |
| Annex II | List of documents | 10 |
| Annex III | List of participants | 12 |



DECISIONS AND RECOMMENDATIONS

Agenda

The Executive Board adopted the agenda, after agreeing to postpone the item on the Summary of the work of the Resumed Regular Session of 1997 for discussion at the Third Regular Session of 1997 (Annex I).

27 May 1997

Appointment of the Rapporteur

In keeping with the established methods of work, the Board appointed Mr. Mehdi Ebrahimi (Islamic Republic of Iran) Rapporteur of the Annual Session of 1997.

27 May 1997

1997/EB.A/1

Annual report of the Executive Director

The Board approved the annual report of the Executive Director for 1996 (WFP/EB.A/97/3-A/Add.1) and recommended that future annual reports incorporate the suggestions made in the course of the Board's discussions.

The Board noted the need to have a debate on the issue of increased directing of resources eroding the multilateral nature of the Programme. The Executive Director recalled the decision taken by the CFA at its Fortieth Session to review the implementation of the Resource and Long-term Financing Policies after two years, i.e., at the Annual Session to be held in April - May 1998.

27 May 1997

1997/EB.A/2

Annual report on WFP emergency relief activities in 1996

The Executive Board took note of the Report on WFP emergency relief activities in 1996 (WFP/EB.A/97/3-B).

28 May 1997

1997/EB.A/3

Annual report of the Executive Board to ECOSOC and the FAO Council on its activities in 1996 and on follow-up to the implementation of relevant General Assembly and ECOSOC resolutions and decisions

The Board approved the Annual Report to ECOSOC and the FAO Council on its activities in 1996, and on the follow-up to the implementation of relevant General Assembly and ECOSOC resolutions and decisions (WFP/EB.A/97/3-C). It recommended that the report be forwarded to ECOSOC and the FAO Council with the following additions:



- reference to the development by WFP of an Internet Web site;
- information on WFP's follow-up to the Copenhagen Social Summit; and
- additional information concerning WFP's efforts to contribute to the strengthening of the Resident Coordinator System.

28 May 1997

1997/EB.A/4 Strategic and financial plan (1998-2001)

The Board endorsed the general orientation of the Strategic and Financial Plan, 1998-2001 (WFP/EB.A/97/4-A). It approved the preparation of a consolidated budget of approximately 2.6 billion dollars, including appropriate Programme Support and Administrative (PSA) costs, for the period 1998-99, taking into account the issues discussed, as reflected in the Summary of the work of the Executive Board.

28 May 1997

1997/EB.A/5 Budgetary performance report for 1996

The Board took note of the Budgetary performance report for 1996 (WFP/EB.A/97/4-B) and found it useful. It requested that future reports incorporate the suggestions contained in the comments of the FAO Finance Committee and the ACABQ. The Board recommended the following:

- Future annual reports could be improved by including information on past performance showing expenditure and income trends, using consistent terminology and providing more supportive data that would answer many of the questions raised.
- A full budgetary performance report should be prepared in future for all activities of WFP every two years. This report should include detailed explanations on the PSA funding and expenditures in a format that would permit the Board to assess how the original proposals were implemented and the reasons for deviations from the original estimates, and explanations on shortcomings or slips during the implementation phase of the operations.
- The Board requested the Executive Director to present a paper on the use of interest income at its Third Regular Session of 1997.

The Board reaffirmed the need for WFP to pursue full implementation by all donors of the principle of full recovery of indirect support cost, in accordance with the decision of the Fortieth Session of the CFA on Resource and Long-term Financing Policies.

28 May 1997

1997/EB.A/6 Pledging target (1999-2000)



The Board endorsed the Executive Director's proposal for a pledging target for 1999-2000 (WFP/EB.A/97/4-C) relating to development programmes and amounting to one billion United States dollars (2.1 million tons). It decided to recommend such a target to the FAO Council and ECOSOC for endorsement and subsequent presentation to the United Nations General Assembly and the FAO Conference for approval.

28 May 1997

1997/EB.A/7 Funding and replenishment of the Operational Reserve

The Board approved the summary made in paragraphs 15 to 17 of the document on Funding and replenishment of the Operational Reserve (WFP/EB.A/97/4-D). It recommended the following changes:

- a) in paragraph 16 i): delete "(including directed multilateral operations)";
- b) in paragraph 17: replace "replenished" by "reimbursed".

28 May 1997

1997/EB.A/8 Funding of WFP's after-service medical liabilities

The Board agreed that WFP needs to recognize its after-service medical liabilities in financial statements and should develop a detailed plan for the amortization of these liabilities. The Board indicated that more information will be needed before it can make a final decision. It asked that this information be provided by early September so that it can fully review the options before the Third Regular Session in October 1997.

28 May 1997

1997/EB.A/9 Progress report on the implementation of the External Auditor's recommendations, 1992-93 and 1994-95

The Board took note of the Progress report on the implementation of the External Auditor's recommendations, 1992-93 and 1994-95 (WFP/EB.A/97/4-F), and of the fact that the report had been sent to the ACABQ and the FAO Finance Committee for their comments. It commended the Secretariat for the clarity of the new presentation and the progress made.

28 May 1997

1997/EB.A/10 Policies on the use of WFP food aid in relief and development activities: Monetization

The Board had before it document WFP/EB.A/97/5-A - "Policies on the use



of WFP food aid in relief and development activities: Monetization” and decided that:

- a) Country Strategy Outlines should demonstrate the analytical rationale for monetization and its operational modalities in all cases where monetization is likely to feature in a Country Programme.
- b) WFP will not undertake projects involving full open-market monetization to fund activities that are not related to direct food assistance, and where the generation of funds is the primary objective.
- c) In accordance with the Resource and Long-term Financing Policies, open-market monetization to cover support costs of a directly distributed WFP food intervention should, normally, no longer be necessary. However, where some donors do not have the flexibility to provide sufficient or timely cash resources for this purpose, and in the absence of any alternative financing, some monetization may still need to be undertaken.
- d) The open-market sale of food commodities to finance the purchase of locally produced food for direct distribution to beneficiaries should be managed in the same way as open-market sales for other purposes and must be demonstrably cost-effective. The initial commodity sale must not disrupt the normal markets of recipient countries.
- e) WFP should continue to use closed-circuit monetization where it is considered the most appropriate modality, in line with past practice.
- f) In emergency operations, WFP will consider monetization where it is clearly demonstrable that the monetization process itself has benefits over and above the income transfer to the beneficiaries and where the generation of funds is not the primary objective of commodity sales. Examples include:
 - i) situations in which direct distribution is not feasible for reasons of security, risk of theft or prohibitive costs but national traders are able to move food into the target region using established trade routes and where monetization would act as a stabilizing force on markets and may help prevent large-scale displacement of disaster-affected people; and
 - ii) where local monetization would promote a “return to normal” when used in a transitional way following the end of an emergency, and/or where relief food aid is in danger of causing dependency and inhibiting normal market mechanisms, but where severe food deficits still exist and commercial imports are limited.
- g) WFP would monetize on behalf of donors as a bilateral service as long as the intervention is consistent with WFP’s ongoing programmes and its Mission Statement, and does not distort local markets, cause import displacement or price disincentives, nor infringe FAO Principles on



Surplus Disposal.

- h) In all cases where projects that involve monetization are envisaged:
- i) the cost-effectiveness implications of the monetization process should be made explicit through an *ex ante* analysis comparing the cost of procuring, transporting and selling food commodities with alternative methods of supporting the intervention;
 - ii) WFP should have sufficient prior knowledge of market conditions, actors and mechanisms to determine the likely impact of monetization and the most appropriate and cost-effective way of undertaking the process; and
 - iii) There should be no market displacement, production disincentive or risk of creating lasting dependency among beneficiaries.

28 May 1997

1997/EB.A/11 Reform and revitalization measures in the WFP

In approving document WFP/EB.A/97/5-B, “Reform and revitalization measures in the World Food Programme”, the Board commended WFP for the extensive reforms and improvements that have been introduced, and urged that such efforts continue.

28 May 1997

1997/EB.A/12 Evaluation work plan for 1997-98

The Board considered that the proposed Evaluation Work Plan for 1997-98 (WFP/EB.A/97/6) was balanced between emergency and development, and endorsed its general thrust. It felt that increased attention should be paid to assessing WFP’s performance in emergencies and the relief-rehabilitation continuum, as well as to measuring the impact and cost-effectiveness of WFP’s interventions. It recommended that lessons learned be incorporated in future activities.

28 May 1997

1997/EB.A/13 Composition of WFP international staff - personnel statistics report as at 31 January 1997

The Board took note with satisfaction of the Personnel statistics report as at 31 January 1997 (WFP/EB.A/97/7), and requested that a brief and comprehensive analysis of the data, outlining major highlights, be provided in future reports.

28 May 1997

1997/EB.A/14 Progress report on the status of the WFP Headquarter premises

The Board took note of the verbal report of the Executive Director on the status of WFP’s new Headquarters and the contents of the document: “Information Note on WFP Headquarters” (WFP/EB.A/97/INF/7).

The Board expressed appreciation to the Government of Italy for the



positive steps taken to resolve the issue.

The Board reaffirmed that the final decision on the choice of the new location rests within the authority of the Executive Director.

28 May 1997



ANNEX I**AGENDA**

1. *Adoption of the agenda*
2. *Appointment of the Rapporteur*
3. *Annual reports*
 - a) Annual report of the Executive Director
 - b) Annual report on WFP emergency relief activities in 1996
 - c) Annual report of the Executive Board to ECOSOC and the FAO Council on its activities in 1996, and on follow-up to the implementation of relevant General Assembly and ECOSOC resolutions and decisions
4. *Resource and financial matters*
 - a) Strategic and financial plan (1998-2001)
 - b) Budgetary performance report for 1996
 - c) Pledging target (1999-2000)
 - d) Funding and replenishment of the Operational Reserve
 - e) Funding of after-service medical liabilities
 - f) Progress report on the implementation of the External Auditor's recommendations, 1992-93 and 1994-95
5. *Policy issues*
 - a) Policies on the use of WFP food aid in relief and development activities: Monetization
 - b) Reform and revitalization measures in WFP
6. *Evaluation work plan for 1997-98*
7. *Administrative and managerial matters*

Composition of WFP international staff - personnel statistics report as at 31 January 1997
8. *Other business*
9. *Verification of adopted decisions and recommendations*



ANNEX II

LIST OF DOCUMENTS

| Agenda item | Title of documents | Document symbol |
|-------------|--|----------------------------------|
| 1 | Provisional agenda | WFP/EB.A/97/1 |
| | Annotated provisional agenda | WFP/EB.A/97/1/Add.1 |
| 3 a) | Annual report of the Executive Director: 1996 (covering note) | WFP/EB.A/97/3-A |
| | - Annual report of the Executive Director: Food security is about people | WFP/EB.A/97/3-A/Add.1+ Corr.1 |
| 3 b) | Report by the Executive Director on WFP emergency relief activities in 1996 | WFP/EB.A/97/3-B |
| | - Supplement to the report by the Executive Director on WFP emergency relief activities in 1996 | WFP/EB.A/97/3-B/Add.1 |
| | - UN Consolidated Inter-Agency Humanitarian Assistance Appeals - Summary of Requirements and Contributions | WFP/EB.A/97/3-B/Add.2 |
| 3 c) | Annual report of the Executive Board to ECOSOC and the FAO Council on its activities in 1996, and on follow-up to the implementation of relevant General Assembly and ECOSOC resolutions and decisions | WFP/EB.A/97/3-C |
| 4 a) | Strategic and financial plan, 1998-2001 | WFP/EB.A/97/4-A + Corr.1 |
| 4 b) | Budgetary performance report for 1996 | WFP/EB.A/97/4-B |
| 4 c) | WFP pledging target for 1999-2000 | WFP/EB.A/97/4-C |
| 4 d) | Funding and replenishment of the operational reserve | WFP/EB.A/97/4-D |
| 4 e) | Funding of WFP's after-service medical liabilities | WFP/EB.A/97/4-E |
| 4 f) | Progress report on the implementation of the External Auditor's recommendations, 1992-93 and 1994-95 | WFP/EB.A/97/4-F |
| | Report of the FAO Finance Committee | WFP/EBA/97/4-A,B,D,E,F/Add.1 |
| | Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) | WFP/EB.A/97/4-A,B,D,E,F/Add.2 |
| 5 a) | Policies on the use of WFP food aid in relief and development activities: Monetization | WFP/EB.A/97/5-A + Corr.1 |



| Agenda item | Title of documents | Document symbol |
|-------------|---|---|
| 5 b) | Reform and revitalization measures in WFP | WFP/EB.A/97/5-B |
| 6 | Evaluation work plan for 1997-98 | WFP/EB.A/97/6 |
| 7 | Composition of WFP international professional staff - personnel statistics report as at 31 January 1997 | WFP/EB.A/97/7 + Corr.1, + Corr.2 |
| 8 | Summary of the work of the Resumed Second Regular Session of 1997 | /WFP/EB.2R/97/Summary |
| 9 | Decisions and recommendations of the Annual Session of 1997 of the Executive Board | WFP/EB.A/97/9 |
| | <u>Other documents</u> | |
| | Information for participants | WFP/EB.2R/97/INF/1 WFP/EB.A/97/INF/1 |
| | Revised Provisional list of documents | WFP/EB.A/97/INF/2/Rev.1 |
| | Revised Provisional timetable | WFP/EB.A/97/INF/3/Rev.1 |
| | Offices and telephone numbers | WFP/EB.A/97/INF/4 |
| | Provisional list of participants | WFP/EB.A/97/INF/5 |
| | Information Note on 1994-95 operational expenditures and indirect support costs | WFP/EB.A/97/INF/6 |
| | Information Note on WFP Headquarters | WFP/EB.A/97/INF/7 |
| | ACC statement on Universal access to basic communication and information services | WFP/EB.A/97/INF/8 |



ANNEX III

LIST OF PARTICIPANTS

Members of the Executive Board

| | |
|----------------------------|---|
| Algeria: | H. E. M. Ghoualmi; Ms. H. Yahia-Cherif |
| Angola: | Ms. T. Rocha; Mr. K.K. Mateva; Mr. F.G. de Noblega Cristovaõ |
| Bangladesh: | H.E. Zamir; Mr. C.M. Mohsin; Mr. M. Mejbahuddin |
| Belgium: | H.E. R. De Clercq; Mr. G. Mombaerts; Mr. J.M. Deheyne |
| Brazil: | Mr. F.J. Marroni De Abreu |
| Burundi: | S.E. J.B. Mbonyingingo; Mr. F. Nyabenda |
| Canada: | Mr. E. Loevinsohn; Mr. M.G. Pilote; Ms. G. Saint-Cyr |
| China: | H.E. T. Zhengping; Mr. L. Zhengdong; Mr. Q. Sixi; Mr. Z. Zhongjun; Mr. X. Yong |
| Cuba: | H.E. J. Nuiry Sánchez |
| Denmark: | Ms. K. N. Rasmussen; Mr. L.-H. Worsøe |
| El Salvador: | Ms. N.C. Ramirez; Ms. M.E. Jiménez |
| Ethiopia: | Mr. R. Gebrehiwot |
| France: | H.E. L. Dominici; Mr. J.-L. Rysto; Mr. S. Surun; Mr. A. Schmitt |
| Germany: | H.E. G. Massmann; Mr. G. Bonnet; Mr. K.G. Dilg |
| Haiti: | Ms. S. Percy |
| Hungary: | Ms. M. Kovács |
| India: | Mr. A. Sinha |
| Indonesia: | Mr. I.N. Ardha |
| Iran, Islamic Republic of: | Mr. A. Hosseini; Mr. M. Ebrahimi; Mr. A. Rostami Tarsi; Mr. M.R. Rostami |
| Italy: | H.E. L. Fontana-Giusti; Mr. M.A. Leggeri; Mr. R. Palmieri; Mr. F. Ginocchio; Ms. L. De Clementi; Ms. L. Di Bello; Mr. L. Baroncelli |
| Japan: | Mr. H. Fuchikawa; Mr. T. Kikuchi; Mr. Y. Endo |
| Jordan: | H.E. S. Masarweh; Mr. A. Arabiat |
| Mauritania: | H.E. M.S.O. Merzoug; H.E. M.O. Moctar Neche; Mr. O.S.A. Houssein |
| Mexico: | Ms. C. Jaber De Blancarte |
| Netherlands: | H.E. J.B. Pieters; Mr. A.P. Remmelzwaal; Mr. E.J.N. Brouwers; Ms. H. van Gulik |
| Nigeria: | Mr. B. Ukpong; Mr. P. Okoh |
| Norway: | Ms. T. Kongsvik; Mr. I. Nordang; Mr. A. Danevad |



| | |
|---------------------------|--|
| Paraguay: | Mr. R.R. Inchausti Valdez |
| Senegal: | H.E. M. Balla Sy; Mr. A. Diouf |
| Slovakia: | Mr. L. Micek |
| Switzerland: | Mr. H.-F. Morand; Mr. F.N. Thévenaz; Mr. I.N. Marincek |
| Tunisia: | H.E. S. Hamdi |
| United Kingdom: | Mr. D. Sands Smith; Mr. A. Beattie; Mr. I. Symons |
| United States of America: | Mr. L.M. Rogers; Ms. M.T. Chambliss; Mr. T.A. Forbord; Ms. L. Tracy; Mr. P.B. Humphrey; Mr. T. Lavelle; Mr. D. Sheldon |

Observer States

| | |
|--|---|
| Afghanistan: | Mr. M.N. Moslemyar |
| Australia: | Ms. C. Walker |
| Austria: | Mr. E. Zimmerl |
| Bolivia: | Mr. A. Gonzales Quint |
| Burkina Faso: | H.E. B. Damiba |
| Cape Verde: | Mr. E. Silva |
| Chile: | Mr. H. Molina Reyes |
| Costa Rica: | Ms. Y. Gago |
| Côte d'Ivoire: | Ms. M. Ahoua-Mea |
| Cyprus: | Mr. C. Loizides |
| Democratic People's Republic of Korea: | Mr. S.C. Yun |
| Eritrea: | Mr. Y. Tensue |
| Finland: | Ms. P.-L. Kyöstilä |
| Greece: | Mr. D.A. Kyvetos |
| Guatemala: | Ms. R. Claverie De Sciolli |
| Observer of Holy See: | H.E. Mons. Alois Wagner; Mr. V. Buonomo; Mr. L. Bernardi; Mr. G. Tedesco |
| Honduras: | Mr. M. Borjas |
| Iraq: | H.E. K. M. Hassan; Mr. K. J. Hadi |
| Ireland: | Mr. D. Beehan |
| Kazakstan: | Mr. B. Sadykov |
| Kenya: | Mr. P. K. Chepkwony; Mr. J. K. Boinnet |
| Lesotho: | Ms M. Ranooe |
| Madagascar: | Mr. R. Rabe; Mr. Monja |
| Malta: | H.E. F. Montanaro Mifsud |
| Morocco: | H.E. A. Afailal; Mr. A. Arifi |



| | |
|--|---|
| Panama: | Mr. H. Maltez |
| Peru: | Mr. P. Paredes Portella |
| Romania: | Mr. G. Apostoiu |
| Russian Federation: | Mr. V. Zvezdin; Mr. E. Kudryavtsev |
| Spain: | Mr. J. Piernavieja Niembro |
| Sudan: | Mr. M.S.M. Ali Harbi |
| Sweden: | Mr. M. Odevall; Mr. S. Berggren; Ms. B. Karlström Dorph |
| Thailand: | Mr. P. Korsieporn |
| The Former Yugoslav Republic of Macedonia: | Mr. R. Blazevski |
| Turkey: | H.E. E.K. Akay; Mr. A.N. Koru |
| Uganda: | Mr. W. A. Sakira |
| Viet Nam: | Mr. K. Ha Huy |
| Zimbabwe: | Mr. B. Mugobogobo |

Other observers

Associate member of FAO

| | |
|---|---|
| Commission of the European Communities: | H.E. G.P. Papa; Mr. D. Taylor; Ms. A. Uustalu |
|---|---|

United Nations, specialized agencies and its organizations

| | |
|-----------------|--|
| UN: | Ms. K. Miranda-Saleme |
| FAO: | Mr. H.W. Hjort; Mr. M. Smart; Ms. B. Huddleston; Mr. M. Bamba; Mr. N.M. Hla |
| ILO: | Mr. W. Schiefelbusch |
| UNESCO: | Mr. D. Berstecher |
| WHO: | Ms. M. Mokbel Genequand |
| IFAD: | Mr. I. Babaa |
| UNICEF: | Ms. K. Madi |
| UNDP and UNFPA: | Mr. E. Bonev |
| UNHCR | Mr. F. Karim; Mr. J. Upadhyay |

Observers from intergovernmental organizations

| | |
|---|---------------|
| International Committee of the Red Cross: | Mr. M. Studer |
|---|---------------|



Observers from non-governmental organizations

| | |
|--|---|
| Caritas Internationalis: | Ms. P. Wohlrab; Mr. E. Hartmans; Mr. K. Zelenka |
| International Federation of Agricultural Producers: | Ms. G. Pelá |
| Lutheran World Federation: | Mr. L. Degefa |