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

<table>
<thead>
<tr>
<th>Agenda</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointment of the Rapporteur</td>
<td>3</td>
</tr>
<tr>
<td>1997/EB.A/1 Annual report of the Executive Director</td>
<td>3</td>
</tr>
<tr>
<td>1997/EB.A/2 Annual report on WFP emergency relief activities in 1996</td>
<td>3</td>
</tr>
<tr>
<td>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</td>
<td>3</td>
</tr>
<tr>
<td>1997/EB.A/4 Strategic and financial plan (1998-2001)</td>
<td>4</td>
</tr>
<tr>
<td>1997/EB.A/5 Budgetary performance report for 1996</td>
<td>4</td>
</tr>
<tr>
<td>1997/EB.A/7 Funding and replenishment of the Operational Reserve</td>
<td>5</td>
</tr>
<tr>
<td>1997/EB.A/8 Funding of WFP’s after-service medical liabilities</td>
<td>5</td>
</tr>
<tr>
<td>1997/EB.A/9 Progress report on the implementation of the External Auditor’s recommendations, 1992-93 and 1994-95</td>
<td>5</td>
</tr>
<tr>
<td>1997/EB.A/10 Policies on the use of WFP food aid in relief and development activities: Monetization</td>
<td>6</td>
</tr>
<tr>
<td>1997/EB.A/11 Reform and revitalization measures in the WFP</td>
<td>7</td>
</tr>
<tr>
<td>1997/EB.A/12 Evaluation work plan for 1997-98</td>
<td>7</td>
</tr>
<tr>
<td>1997/EB.A/13 Composition of WFP international staff - personnel statistics report as at 31 January 1997</td>
<td>7</td>
</tr>
<tr>
<td>1997/EB.A/14 Progress report on the status of the WFP Headquarter premises</td>
<td>8</td>
</tr>
</tbody>
</table>

Annex I  Agenda  9  
Annex II  List of documents  10  
Annex III  List of participants  12  

DECI SIONS 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

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

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

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

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

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
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
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

<table>
<thead>
<tr>
<th>Agenda item</th>
<th>Title of documents</th>
<th>Document symbol</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provisional agenda</td>
<td>WFP/EB.A/97/1</td>
</tr>
<tr>
<td></td>
<td>Annotated provisional agenda</td>
<td>WFP/EB.A/97/1/Add.1</td>
</tr>
<tr>
<td>3 a)</td>
<td>Annual report of the Executive Director: 1996 (covering note)</td>
<td>WFP/EB.A/97/3-A</td>
</tr>
<tr>
<td></td>
<td>- Annual report of the Executive Director: Food security is about people</td>
<td>WFP/EB.A/97/3-A/Add.1+ Corr.1</td>
</tr>
<tr>
<td>3 b)</td>
<td>Report by the Executive Director on WFP emergency relief activities in 1996</td>
<td>WFP/EB.A/97/3-B</td>
</tr>
<tr>
<td></td>
<td>- Supplement to the report by the Executive Director on WFP emergency relief activities in 1996</td>
<td>WFP/EB.A/97/3-B/Add.1</td>
</tr>
<tr>
<td></td>
<td>- UN Consolidated Inter-Agency Humanitarian Assistance Appeals - Summary of Requirements and Contributions</td>
<td>WFP/EB.A/97/3-B/Add.2</td>
</tr>
<tr>
<td>3 c)</td>
<td>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</td>
<td>WFP/EB.A/97/3-C</td>
</tr>
<tr>
<td>4 b)</td>
<td>Budgetary performance report for 1996</td>
<td>WFP/EB.A/97/4-B</td>
</tr>
<tr>
<td>4 c)</td>
<td>WFP pledging target for 1999-2000</td>
<td>WFP/EB.A/97/4-C</td>
</tr>
<tr>
<td>4 d)</td>
<td>Funding and replenishment of the operational reserve</td>
<td>WFP/EB.A/97/4-D</td>
</tr>
<tr>
<td>4 e)</td>
<td>Funding of WFP’s after-service medical liabilities</td>
<td>WFP/EB.A/97/4-E</td>
</tr>
<tr>
<td>4 f)</td>
<td>Progress report on the implementation of the External Auditor’s recommendations, 1992-93 and 1994-95</td>
<td>WFP/EB.A/97/4-F</td>
</tr>
<tr>
<td></td>
<td>Report of the FAO Finance Committee</td>
<td>WFP/EB.A/97/4-A,B,D,E,F/Add.1</td>
</tr>
<tr>
<td></td>
<td>Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)</td>
<td>WFP/EB.A/97/4-A,B,D,E,F/Add.2</td>
</tr>
<tr>
<td>5 a)</td>
<td>Policies on the use of WFP food aid in relief and development activities: Monetization</td>
<td>WFP/EB.A/97/5-A + Corr.1</td>
</tr>
<tr>
<td>Agenda item</td>
<td>Title of documents</td>
<td>Document symbol</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>5 b)</td>
<td>Reform and revitalization measures in WFP</td>
<td>WFP/EB.A/97/5-B</td>
</tr>
<tr>
<td>6</td>
<td>Evaluation work plan for 1997-98</td>
<td>WFP/EB.A/97/6</td>
</tr>
<tr>
<td>7</td>
<td>Composition of WFP international professional staff - personnel statistics report as at 31 January 1997</td>
<td>WFP/EB.A/97/7 + Corr.1, + Corr.2</td>
</tr>
<tr>
<td>8</td>
<td>Summary of the work of the Resumed Second Regular Session of 1997</td>
<td>WFP/EB.2R/97/Summary</td>
</tr>
<tr>
<td>9</td>
<td>Decisions and recommendations of the Annual Session of 1997 of the Executive Board</td>
<td>WFP/EB.A/97/9</td>
</tr>
<tr>
<td></td>
<td><strong>Other documents</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information for participants</td>
<td>WFP/EB.2R/97/INF/1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WFP/EB.A/97/INF/1</td>
</tr>
<tr>
<td></td>
<td>Revised Provisional list of documents</td>
<td>WFP/EB.A/97/INF/2/Rev.1</td>
</tr>
<tr>
<td></td>
<td>Revised Provisional timetable</td>
<td>WFP/EB.A/97/INF/3/Rev.1</td>
</tr>
<tr>
<td></td>
<td>Offices and telephone numbers</td>
<td>WFP/EB.A/97/INF/4</td>
</tr>
<tr>
<td></td>
<td>Provisional list of participants</td>
<td>WFP/EB.A/97/INF/5</td>
</tr>
<tr>
<td></td>
<td>Information Note on 1994-95 operational expenditures and indirect support costs</td>
<td>WFP/EB.A/97/INF/6</td>
</tr>
<tr>
<td></td>
<td>Information Note on WFP Headquarters</td>
<td>WFP/EB.A/97/INF/7</td>
</tr>
<tr>
<td></td>
<td>ACC statement on Universal access to basic communication and information services</td>
<td>WFP/EB.A/97/INF/8</td>
</tr>
</tbody>
</table>
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 Cristovão
Bangladesh: H.E. Zamir; Mr. C.M. Mohsin; Mr. M. Mejbahuddin
Belgium: H.E. R. De Clercq; Mr. G. Mombaerts; Mr. J.M. Deheyn
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. Ebrahim; 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. Marinecek
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