



**World Food Programme**

**Programme Alimentaire Mondial**

**Programa Mundial de Alimentos**

**برنامج الأغذية العالمي**

2 March 2018

**Management comments to the internal audit report of WFP Operations in Yemen  
( AR/18/02 )**

**Management Comments**

WFP Management appreciates and welcomes the observations made by the Office of the Inspector General (OIG) in its audit report (AR/18/02). The audit focused on WFP operations in Yemen from 01 May 2016 to 30 September 2017. WFP Management has already started to take action to implement the agreed actions raised in the report.

During the audit period, WFP in Yemen continued its L3 Emergency Response to the conflict that began in 2014. As of September 2017, some 21 million people, or 76 percent of Yemen's population, needed humanitarian or protection assistance, including 10 million people, who required immediate food assistance. A cholera epidemic also broke out in the country affecting nearly 1 million people, which led to the provision of key logistical support to the World Health Organization. WFP's operations in Yemen covered two main areas: the southern governorates under the control of the internationally-recognized government and the northern governorates controlled by de-facto authorities. These two areas faced contrasting conditions with regard to access to beneficiaries and the unimpeded implementation of programmes.

WFP Management welcomes the OIG's recognition of WFP Yemen's effective scaling up and provision of assistance to over 7 million beneficiaries as of September 2017. The management of WFP activities in Yemen were observed to have seen significant improvement in their efficiency and effectiveness during the first half of 2017, since the strengthening of WFP Yemen's management and staff team. During this period, WFP Yemen negotiated and secured more favourable terms with cooperating partners and vendors, which improved performance and reduced costs. WFP Yemen was also able to enforce a timely completion of distributions by cooperating partners within the entitlement month and significantly reduce late deliveries. Further, WFP Yemen was able to restore donor confidence through increased donor engagement, enhanced reporting and transparency.

WFP Management recognizes the overall conclusion of partially satisfactory with some improvements needed. This overall result should be seen in the context of the extremely challenging conditions under which WFP humanitarian operations were conducted in Yemen. The implementation of the two high-priority and nine medium-priority observations and related agreed actions in the audit report will be fully undertaken by WFP Yemen within the agreed implementation dates in the report.

Specifically, WFP Yemen will coordinate with the Operational Task Force to establish a risk appetite statement to guide decision making on targeting and registration of beneficiaries, including definition of minimal critical indicators for assessing food security, training and



use of independent enumerators and rolling out of biometric registration. Further, WFP Yemen will enhance efforts to systematically manage the collection and use of GPS data, giving closer attention to the assessment of safety and security at food distribution points considering capacities, clearly defined assessment criteria and coordination with local authorities.

WFP Management, in acknowledging that risk management and controls were found to be generally established and functioning well but needed improvement in some areas, will work to ensure further enhancement of management and oversight of cooperating partners including third party monitoring. In addition, efforts will be made to formalize agreements to support the cholera response, adjust supply chain operations for the procurement of non-food items, services and transport services and bring enhancements to food security, food tracking and beneficiary feedback mechanisms. Finally, management oversight alignment and follow up will be enhanced by further strengthening of WFP Yemen's Risk Management and Compliance function and related risk management tools, together with staffing and other adjustments to security arrangements.

To support full implementation of the agreed audit actions, WFP Management will closely monitor implementation before the target implementation dates. WFP Management, in close collaboration with OIG, will undertake regular reviews of outstanding agreed actions and ensure that implementation status updates are provided through *Teamcentral*, the WFP internal tracking system.

WFP Management would like to thank the Office of the Inspector General for the meaningful collaboration and support.