

19 February 2025

Management Comments to the Internal Audit Report of WFP Operations in Ukraine (AR/25/01)

WFP Management welcomes the observations made by the Office of the Inspector General (OIG) in its internal audit report of WFP operations in Ukraine (AR/25/01), covering the period from 1 January 2023 to 30 June 2024. WFP Management appreciates the audit's focus on programme design and implementation and management of cooperating partners. It also included tailored reviews of risk management and oversight, management of external stakeholder relations and communication, budgeting and programming, transport and logistics, and procurement.

In Ukraine, WFP continued to face severe humanitarian and socioeconomic challenges due to the ongoing conflict, leading to access constraints, the destruction of critical infrastructure and the widespread mining of agricultural lands, which severely impacted domestic economic activities. Amid these challenges, WFP implemented its activities focusing on three strategic outcomes: ensuring vulnerable populations and schoolchildren access nutritious meals; reinforcing national institutions and food systems to improve food security; and providing crisis-affected people with food assistance and livelihood recovery support. Joint efforts with the Food and Agriculture Organization (FAO) focused on identifying and rehabilitating contaminated agricultural areas in Kharkiv, Mykolaiv and Kherson regions, followed by targeted livelihood support aimed at restoring agricultural production. Through the Grain from Ukraine Initiative, WFP successfully partnered with the Government of Ukraine to maintain critical agricultural exports, despite continued incidents related to Black Sea ports and grain storage facilities, which disrupted food commodity flows in 2024.

The 2024 audit in Ukraine recognized several significant achievements in WFP's operations. It acknowledged that WFP had successfully increased local food procurement from 47 percent in 2023 to 62 percent in 2024 and managed USD 94 million in local procurement, while at the same time maintaining robust food safety and quality controls. The provision of WFP's digital solutions has contributed to enhancing the humanitarian community's de-duplication processes, which yielded significant cost savings and efficiency gains. In addition, WFP has successfully transitioned from emergency operations to the implementation of more regular programmatic activities, while continuing to operate effectively in a challenging and volatile context.

WFP Management acknowledges the audit's overall conclusion of **"some improvement needed"** and agrees with the one high and three medium-priority observations. WFP Management endorses the corresponding agreed actions and has initiated their implementation, with completion expected by timelines. The observations and agreed actions contained in the audit report are closely aligned with existing management priorities and country and regional-level control strengthening efforts. WFP Management notes that the country office has successfully implemented all agreed actions from the 2023 audit in Ukraine (AR/23/04), demonstrating a robust commitment to continuously strengthening the operation.

Regarding the one high-priority observation, WFP is updating its targeting and prioritization strategy and implementing actions to strengthen its regular communication to ensure stakeholders understand WFP's targeting criteria and modality choices, which is expected to be completed by September 2025.

WFP Management would like to thank OIG for the meaningful collaboration and support, and thorough analysis undertaken in Ukraine, including visits to the Kyiv Office and the Dnipro Field Office. WFP Management is confident that the implementation of agreed actions by the respective due dates will further strengthen the governance, risk management and internal control processes of WFP's operations in Ukraine.