

June 2025

Management Comments to the Internal Audit of WFP Operations in Tanzania (AR/25/04)

WFP Management appreciates and welcomes the observations made by the Office of the Inspector General (OIG) in its audit report on WFP operations in Tanzania, covering the period from 1 January to 31 December 2024. The audit focused on risk management and oversight, programme design and implementation, covering tailored reviews of assessment and beneficiary targeting, identity management and a full-scope review of management of non-governmental organization partners; monitoring activities; and community feedback mechanisms. It also included tailored reviews of the management of external stakeholder relations and communication, transport and logistics, procurement, and common services.

Tanzania has demonstrated resilient and steady economic growth in recent years. However, the benefits of this economic progress have not been equally distributed. Around 45 percent of the population live below the international poverty line of USD 2.15 per day. According to the 2022 Human Development Report, Tanzania ranks 167th out of 191 countries, with a Human Development Index score of 0.532. Despite Tanzania's progress in nutrition, challenges remain in addressing the triple burden of malnutrition. Thirty percent of children under five still experience stunting, while 4 percent are wasted, signalling chronic and acute undernutrition. At the same time, 3 percent of children under five are overweight, highlighting the coexistence of undernutrition and overnutrition.

Agriculture remains central to Tanzania's economy, but faces major challenges, including land degradation affecting 51 percent of the land and the impacts of climate change. In early 2024, a severe drought damaged crops and threatened food security in Tanzania and southern Africa. In April, El Niño-driven heavy rains caused floods and landslides, killing over 150 people and damaging homes and infrastructure. Cyclone Hidaya then made landfall south of Dar es Salaam, displacing communities still recovering from the earlier floods.

Adding to Tanzania's development context is its role as a refugee host. The country shelters approximately 230,000 refugees and asylum-seekers, primarily from Burundi and the Democratic Republic of Congo, with most residing in Nduta and Nyarugusu camps in Kigoma.

WFP operations face key risks including influxes of refugees, restrictive policies, funding constraints and natural disasters. WFP has enhanced its mitigation measures by mobilizing resources, aligning budgets with changing needs through dynamic planning, repositioning food stocks for rapid response, and strengthening contingency planning. It has also improved process monitoring and the complaints and feedback mechanism, for example, through the institution in June 2024 of a digital Issues Escalation and Tracking system to quickly resolve implementation challenges.

WFP Management welcomes OIG's recognition of the positive practices and initiatives implemented by the country office, including the efficient management of the global commodity management facility hub, effective operation of the supply chain corridor, and the provision of services to WFP operations in eight countries. It also appreciates the acknowledgment of its ongoing efforts to strengthen community feedback mechanisms, enhance programme monitoring, improve the management of cooperating partners, and implement measures to comply with WFP's Global Assurance Standards.

WFP Management is also pleased to note that external stakeholders interviewed during the audit commended WFP's proactive collaboration, information sharing, and regular engagement with key strategic partners, including donors, government counterparts, the Office of the Resident Coordinator, and the United Nations High Commissioner for Refugees.

WFP Management acknowledges the overall conclusion of **some improvement needed** and has been proactive in taking immediate action to address the high-risk observation.

Significant efforts are currently underway to strengthen contingency planning for the refugee response. This includes enhancing preparedness measures to address the potential impacts of the repatriation of Burundian refugees, a possible influx of refugees from the Democratic Republic of Congo, and anticipated funding reductions from key donors. As part of this process, a detailed scenario analysis is being developed, with clearly defined preparedness actions for each scenario to effectively address and mitigate emerging risks.

Although specific targeting criteria already exist for each country strategic plan (CSP) activity, WFP Management notes that the country office is taking action to consolidate these into a comprehensive targeting and prioritization strategy. The strategy will set clear targeting objectives, prioritization approaches, methodologies, and implementation mechanisms to ensure consistency and alignment with programmatic goals. The country office is also expanding the digitization of identity management to asset creation activities to strengthen data integrity, enhance controls, and increase operational efficiency.

To further strengthen the supply chain function, oversight controls over vendor verification and performance bond validity have been enhanced, and targeted training has already been provided in key areas such as inventory management, food safety and handling, compliance with WFP warehousing standards, and operational efficiency. These efforts are expected to result in improved storage conditions, strengthened accountability, and overall operational excellence across all warehouse locations.

WFP Management wishes to highlight that the country office is revising its oversight procedures for cooperating partners, adopting a risk-based approach aligned with feasibility and available resources. It is also coordinating with headquarters to roll out the corporate Integrated Issues Escalation & Case Management system (SugarCRM Version 3), supporting both process monitoring and beneficiary feedback. Additionally, a mission was conducted in refugee camps to further raise community awareness of the community feedback mechanism through visibility materials, leader engagement, and audio messages during distributions.

The implementation of several other agreed actions is also underway, including the development of a country-specific smallholder farmer market support strategy and the preparation of a technical skills gap analysis to support CSP implementation. The country office is developing a detailed workplan to ensure full implementation within agreed timeframes and will provide periodic progress updates to OIG through WFP's internal tracking system. The Eastern and Southern Africa Regional Office and headquarters will continue to offer guidance and technical support to the country office, as needed.

WFP Management would like to thank OIG for their constructive collaboration, engagement and efforts to ensure the audit observations and agreed actions are aligned with the operating context. WFP Management views the audit observations and agreed actions in Audit AR/25/04 as valuable to further enhance and streamline processes, governance, risk management, and internal controls for WFP's operations in Tanzania.