

9 October 2025

Management Comments to the Internal Audit Report of WFP Operations in Cuba (AR/25/08)

WFP Management welcomes the observations of the Office of the Inspector General (OIG) in its internal audit report on WFP operations in Cuba (AR/25/08), covering the period from 1 January to 31 December 2024. Management appreciates the audit's focus on crisis preparedness and response (Activity 1) under the country strategic plan, as well as on strategic planning, risk management, finance, programme implementation, monitoring, and community feedback.

Cuba's fragile economic and demographic situation, compounded by limited access to international financing, continues to strain national post-COVID19 recovery efforts and social protection systems. These pressures have weakened social services and reversed earlier progress toward universal access to essential needs. Persistent inflation and shortages of basic goods have eroded purchasing power and deepened multidimensional vulnerability.

Food insecurity is one of Cuba's most pressing issues. Agricultural production has plummeted in recent years, alongside reduced imports of key staples. As a result, the regulated state food basket now covers less than half of recommended daily energy needs, forcing families to rely on costly private markets. Additionally, Cuba's high exposure to hurricanes, droughts, and earthquakes creates persistent risks to agriculture and food security, complicating the country's already fragile outlook.

WFP supports the Government in strengthening national food security and social protection mechanisms within this increasingly fragile socioeconomic environment. In this context, WFP operates under a distinct model, delivering food assistance through government social protection systems and in close collaboration with national counterparts.

The audit acknowledged the country office's efforts in planning operations, developing compensating controls, and supporting government capacity-strengthening and digitalization. These initiatives were recognized as contributing to stronger internal controls, improved system efficiency, and risk mitigation in the Cuban context. Stakeholders interviewed also highlighted WFP's proactive collaboration and effective implementation capacity.

Management welcomes the audit's overall conclusion of "**some improvement needed**" and agrees with the one high- and three medium-priority observations. WFP fully endorses the agreed actions and has already initiated implementation, with completion expected by December 2026.

With regards to the medium-priority observation, WFP acknowledges the need to enhance data analysis and visualization to better inform decisions, and to align the monitoring framework with the operational



model. Steps are underway to clarify programme and finance roles, strengthen tools for tracking operational advances, and ensure monthly fuel consumption analyses in line with corporate requirements.

With regards to the high-priority observation, WFP Management reiterates that Risk management remains a central priority, given Cuba's operational context. WFP Management continues to ensure robust mitigation measures are in place within a transparent and risk-aware environment. This includes systematic risk identification, escalation, and alignment with WFP's risk appetite. WFP Management also ensures that major donors are often given the opportunity to observe operations directly through field missions and that roles and responsibilities with government partners are clearly defined. In line with the high-priority recommendation, WFP continues to provide regular updates on its operating model and residual risks. Accordingly, a special focus on operating model is already included in the recent presentation of the new country strategic plan to the Executive Board.

WFP Management will closely monitor the implementation of the agreed actions through the corporate tracking tool, with support from the Latin America and the Caribbean Regional Office and Global HQ as needed.

Finally, WFP thanks OIG for its constructive engagement and comprehensive review. The agreed actions will further strengthen governance, risk management, and internal controls, while enhancing the overall effectiveness of WFP's operations in Cuba and ensuring continued accountability to its beneficiaries and donors.