

# 2020 annual session of the Executive Board

## Virtual session

### Opening remarks by the Executive Director

**D. Beasley, Executive Director:** It is great to be here. Let me just say a couple of things about all four of the guests you have formally introduced. Reem (Al Hashimy) has the heart of an angel. She is absolutely one of the most amazing people to work with on complex issues, she has just been fantastic.

Janez (Lenarčič): I think he is at the right place at the right time. The discussions we have had with the European Union on how we can strengthen and, in fact, achieve greater results in the field has just been great.

Mark Lowcock and I and I are always together on the phone. Over the past many months, Mark and I have been broken-hearted about all the tragedies and crises out there and very, very concerned because we believe that it is going to get a lot worse.

Susanna (Moorehead), from the OECD's Development Assistance Committee, has been working with our team. We are pleased to announce WFP's intention to adhere to DAC's recommendations on humanitarian development and peace. This will help bridge the gap between development and humanitarian work and build peace in fragile nations. You have heard me talk about this now for several years and so I am glad to see the whole system's moving in that direction. We all look forward to listening to the virtual panellists, their insights and their wisdom on how to ensure we meet the needs of the most vulnerable as we respond to the COVID-19 pandemic.

Our annual session of the Executive Board is taking place truly in one of the most extraordinary times in world history as the global community fights back against this devastating virus. Partnerships and collaboration are the only route to success. The United Nations will prove why it is needed in the most important time since its inception 75 years ago. And I believe that the World Food Programme will be the leader of the pack. I believe the World Food Programme will show the world why the world needs the United Nations.

WFP is leading the way in the international effort to stop the global health crisis from becoming a humanitarian catastrophe. This is truly a team effort and we are working on it, as you know, day in and day out, all day and all night, playing our full part in defeating COVID-19 and potentially the worst health and socioeconomic disaster in more than a century, which now threatens a hunger pandemic in the poorest countries on earth. We are all hands on deck.

As I told you three years ago, I was concerned with our systems and our structures, that we were spread too thin but, fortunately, you have responded and we have responded - in rebuilding ourselves, restructuring ourselves, making certain that we are positioned to handle what I consider to be the gravest crisis since the inception of the United Nations. We are doing what we need to do because you have responded and we have worked together in the most transparent way. You have held us accountable. We continue to ask you to do that.

Today I would like to share with you the results of WFP's latest analysis of the COVID-19 crisis and what we are doing in response. The picture it paints is disturbing. It is sobering and it underlines the urgent need for a coordinated and well-resourced global response. A number of factors come together in a dangerous cocktail, putting millions of the working poor at risk of hunger.

COVID-19 lockdowns have destroyed jobs around the world: 1.6 billion people in the informal economy, almost half the global workforce, stand to lose their livelihoods. The impact on household incomes is severe. Earnings are expected to fall by up to 82 percent for informal workers. The IMF predicts 2020 global GDP will fall by 4.9 percent. Just a couple of months ago their prediction was around half that amount, and I was saying then there is no way those numbers are right, the numbers are going to get worse, and I actually believe the numbers may get worse than has been said today.

Rich economies have contracted, as you well know, which means remittances are falling - and this is an area that I think developed nations fail to sometimes understand and appreciate, the impact this has in poor countries. We are looking at a USD 100 billion decrease for 2020 in remittances, according to the World Bank. I actually believe that number may be too low. I hope I am wrong.



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Food systems are being disrupted by transport shutdowns, stricter border controls, movement restrictions, export/import bans and that is leading, of course, to localized food shortages and price increases, for example, in some of the sub-Saharan countries. As a result, millions of the most vulnerable people on earth, who are already only one day's work away from going hungry, literally now have no money in their pockets to buy their daily bread.

The frontline of the fight against the virus has shifted now from the rich world to the poorest nations and I honestly think we have only seen the tip of the iceberg and we are going to have a very difficult time in the months ahead.

Even before COVID-19 hit, you may remember I was already talking about 2020 being the worst year for humanitarian crises. We had already gone from 80 million acutely hungry people - people that are on the brink of starvation - to 135 million people. That is nearly a 70 percent increase in just a few years. Why? Well, it is a toxic combination of conflict, natural disasters such as floods and droughts and economic crises on top of all of that.

Now, including the devastating impact of COVID-19, we estimate the number of acutely food insecure people will reach 270 million people by the end of 2020. I pray and hope that I am wrong. I hope the numbers are not half that. I hope that we respond so strategically, we never come close to those numbers. But we have to be prepared for the worst because if we are not, people die. Inevitably, the impact will be felt most strongly by already highly vulnerable populations.

For example, in the Central Sahel, in Burkina Faso, Mali, and Niger, household food insecurity is now already at an all-time high. Recent projections estimate 12.7 million people could be in crisis across the region this year. COVID-19 in this area, just as an example, is compounding the rapidly deteriorating security situation which has seen levels of violence and instability at all-time highs. Our net funding requirements for these countries alone, just for the next six months, is USD 217 million.

Syria, suffering a severe economic crisis, has been exacerbated by the collapse in remittances which accounted for 15 percent of its GDP before the virus, while the currency has also completely collapsed. The Lebanese economy has exacerbated the situation even further. Food prices have risen by 75 percent since March, 205 percent since a year ago. Food baskets are now 20 times costlier than they were before the war. It is no surprise that the food insecurity numbers are skyrocketing, from 6.6 million people just two years ago to 9.3 million people today. Our funding requirement for the rest of 2020 is USD 200 million to feed 4.8 million people. And of course we understand the consequences, if we are not there, on destabilization, mass migration, etc.

The agony of the Yemeni people has reached new depths with the coronavirus compounding on an already very bad situation. Humanitarian operations have been hampered by the bureaucratic roadblocks, the security restrictions on staff and on cargo and movements. The COVID-19 outbreak is truly straining the already weak health infrastructure and is having a bigger impact on a population, already weakened by and suffering from years and years of hunger and malnutrition.

In late March we took the difficult decision to reduce operations in the areas in the north controlled by the Houthis and Ansar Allah for reasons that you are familiar with, but we continue to engage to do everything we can to overcome the restrictions that we face, including on biometric registration and the completion of the food security needs assessment. Over 20 million people are now food insecure and we expect many more children to be afflicted by acute malnutrition in addition to the 2 million who have already suffered this condition.

We are working to maintain assistance to over 13 million people per month. Projected funding needs for 2020 are USD 737 million additional. I could keep going, on and on from country to country to country, to help us all appreciate what Mark Lowcock and I have talked about many times.

As I have said before, quite frankly, if we do not handle this COVID-19 pandemic right, we could end up with more people dying from the economic impact of COVID-19 than from the virus itself. We cannot make the cure worse than the disease and that is why we are working so strategically. We cannot pit



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the COVID-19 pandemic against the hunger pandemic. We must thread that needle and strategically work together.

I had a beneficiary just a few weeks ago say: "I would rather die quickly from COVID-19 than slowly from starvation". I have heard folks in Zimbabwe say, well, I am not worried about COVID-19, I am worried about getting my child food for the next day. Well, quite frankly, you and I, we are worried about both. But it shows the reality we are facing out there - and we are urgently appealing for funds to support the biggest humanitarian response in the World Food Programme's history.

We plan to mobilize to scale up across our 83 operations, sustaining assistance for our existing 100 million beneficiaries, and supporting up to an additional 38 million beneficiaries threatened by hunger because of the pandemic. At the same time we are providing technical assistance to governments and our partners around the world. But this will require an unprecedented level of funding. WFP's total needs for the whole of 2020 will now be USD 12.8 billion.

Our total needs for the next six months are USD 7.9 billion. This is the July to December requirement confirmed in the latest pipeline reports. To fulfil this requirement, we need USD 4.9 billion in new funding until the end of the year. That is 62 percent of the budget for the next six months. We have got a lot of work to do to make that happen, otherwise people will die in unprecedented numbers.

In late March, I called on WFP's donors to bring forward funding to ensure core services, for example USD 1.9 billion in funds that had already been pledged by donors. This was to allow us to preposition food to save time and save money and overcome the impacts of supply chain disruptions and breakdowns as well as price spiking. This has already made a huge difference, with donors providing about USD 1.8 billion so far. This is really making a difference, this three-month prepositioning, so I want to thank you for your support and your generosity in responding.

We have also drawn down on our existing multilateral funds in the Immediate Response Account, the IRA account. We have disbursed USD 445 million to underfunded operations. This has left us at a disturbing point, potentially critically low on funds by the end of July, and this is happening just as we enter the season when we have hurricanes and cyclones.

That is why we are asking for your approval to transfer USD 30 million to the IRA from the programme support and administrative equalization account. We are going to need to address these issues and have a more substantive discussion later in the year because this IRA account I do believe is going to be more and more critical as unexpected crises appear on our radar. This is also why greater flexibility with multi-year, multi-flexible funding is so very important.

Ever since the pandemic began, alongside our effort to maintain support to the most vulnerable, we have been collaborating with governments and partners all over the world. We are harnessing and taking advantage of our deep programme expertise to expand critical social safety net programmes, provide subsidies for the most vulnerable to help them, and help nations through this critical period with technical support with regards to supply chain disruptions and other concerns.

This is our Saving Lives Changing Lives agenda in action. In the past three months, and I mean just in the past three months, our Country Team achievements include: scaling up support to government social protection systems in 49 countries; shifting WFP school meals to take-home rations in 75 percent of our countries, reaching 6.2 million children - and you can imagine many of these children, it is the only meal they get. Imagine if they did not get that meal, how fragile they would be to COVID-19 and other types of diseases.

We have also injected USD 210 million into local economies by locally procuring more than 440,000 metric tons of food. That is up 22 percent from last year because you have been giving us more discretion, more flexibility to buy more local commodities to impact local economies. Also, and, again, this is just in the past three months, we have disbursed USD 524 million in cash-based transfers across 56 countries. You can imagine the economic impact, having that cash liquidity into the market, what it does for local economies, for smallholder farmers and for helping stabilize the currency.



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We have also used WFP's digital payment system to serve over 10 million unique beneficiaries, the highest number ever. We can do so much more to protect the millions of people at risk of a COVID-induced hunger pandemic, but we cannot do it without your help. We can win this battle with a properly funded humanitarian response and global logistics operation. As well as our work on the frontlines of the battle against the virus, WFP's common services are also providing the backbone of the world's wide humanitarian response to COVID-19. We have always been the backbone but now more so than ever.

Our eight global humanitarian response hubs are up and running, strategically and effectively, transporting critical humanitarian and medical supplies and frontline help and aid staff. Within a short few weeks, these eight hubs and our people have operated 375 passenger and cargo flights to destinations across Africa, Latin America and the Middle East. We have reached 130 cargo and passenger destinations so far.

We have flown nearly 5,300 frontline workers from more than 162 aid organizations to destinations where their assistance is urgently needed. We have transported over 25,000 cubic metres of critical supplies in humanitarian cargo to 137 countries on behalf of 37 organizations. 78,500 cubic metres of critical supplies is waiting to be transported just in the next three to four weeks and that would be the equivalent of about 120 Boeing 747s filled to the top.

We have also built two dedicated COVID-19 field hospitals in Accra, Ghana and Addis Ababa, Ethiopia, which you have heard me speak of because I went and visited those just a couple of weeks ago. We built them from the ground up within just a few weeks. That we did this in just a few weeks is absolutely remarkable. It never ceases to amaze me how our engineering teams, just do not let anything get in the way – that's the commitment of WFP.

It is amazing how our people respond; what they can do in circumstances you think are just not possible. We are so grateful for our teams out there. But, we are at risk of losing this critical infrastructure without a fresh injection of funds. To keep these services running through the end of this year, 2020, we need USD 965 million in total. We have received about USD 138 million which is just 14 percent of the monies that we need.

These services, which offer a lifeline to vulnerable people and vulnerable nations, will be grounded at the end of July, unless funds are replenished. What is more, they also offer a lifeline to the WFP family. While the common services are for the entire United Nations and humanitarian system, we also get the benefit for our own employees. It is critical for our dedicated men, our dedicated women, who are prepared to risk everything, their own lives, to stay and deliver for our beneficiaries.

At WFP, we know first-hand just how important they are because these services have allowed us to get lifesaving supplies, equipment and medical treatment for employees who have fallen seriously ill. In total, WFP has now had - as calculated from this weekend- 130 cases of COVID-19 among employees. Tragically, as the President acknowledged earlier, we have lost four of our WFP family to COVID-19. I hope and pray that we do not suffer the pain of any more deaths, but the reality is this is a difficult time, and I fear it is only going to get worse in the countries where we have the biggest operations. Our plan is to continue to do everything we can to protect our folks, to protect them with everything that they need, and this is why these monies from you are so very, very important.

Our employees' safety and their wellbeing is an absolute priority, for me personally and for the entire senior leadership sitting with me here this morning. We have a duty of care to every single employee, regardless of their contract status, and I take this - we take this - very seriously, along with the need to assure a strong and healthy workplace culture. We are making good progress on this front with this agenda led by our senior advisor, Gina Casar.

We have now agreed the targets for the Comprehensive Action Plan (CAP) and finalized a set of 16 benchmarks which we will use to measure progress. We have recently completed the first round of consultations with employees to determine what WFP's value should be and nearly 5,000 staff members have participated - a quite remarkable level of participation and engagement by our people.



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It has really been enjoyable in a lot of different ways to engage with our people and especially out in the field.

Our workplace culture programme continues to move forward. It is organic. We have already done a lot but we have got a lot more we are going to do. It has become clear to me that the responsibility for ensuring a strong and healthy culture, and providing effective support for the staff and their wellbeing and their health, belong together under one roof: that is why we proposed the organizational changes that we discussed earlier.

One of the things I said when I arrived three ago was that I was a little bit surprised the United Nations was not further ahead in certain workforce culture issues, like gender parity. You have recently heard me mention the progress that we have made on gender parity. We now have 1,950 more women today than we did just three years ago. This does not happen by itself. It happens because management leadership is driving it, making it organic throughout the entire organization.

And so we have got a lot of work to do and I can assure you that we are not going to let this be on the back burner, which is what has happened, I think, in a lot of organizations around the world. You say these things, you mean them, but you get so busy fighting the fires and the crises - but we are going to do both because we believe that when we have a healthy and respectful workforce, everybody is operating more strategically and more effectively.

With this in mind, I want to share with you that the leadership group and I plan to redouble our efforts to stop any kind of discrimination or abuse. You have been seeing some of the protests around the world. They have trained a spotlight on the issue of racism and, as a responsible employer, we are determined to uphold our principles, our values, to ensure everyone enjoys equality of opportunity, regardless of their race, regardless of their gender, regardless of their sexuality, regardless of their religious belief, regardless of their culture. And so the leadership group will be convening next week to discuss this important topic further.

Excellencies, I also want to update you briefly on our work on risk and control issues, where we continue to make good progress. It was one of the reasons that we established an enterprise risk management team and increased our number of auditors a couple of years ago. When you are out there saving children's lives, out there on the frontline in crisis and lifesaving mode, and you get a tap on the shoulder to say 'I need to talk to you about an audit', your instinct is to say, 'I do not have time, we are trying to save people'.

But we have to make time and that is why we have put these structures in place, so it gives you the confidence to know that when we are out there, we are paying attention to these details so your taxpayers can be sure they are getting their moneys' worth and we're being efficient and effective.

So just to update you briefly, 61 percent of external audit recommendations have now been closed. Seventy-eight percent of joint inspection unit recommendations have been closed. More work needs to be done on internal audit matters, and this is a top priority for senior leadership. We have completed a prioritization exercise for audit recommendations and put in place an action plan. We expect to close 74 percent of these extended issues this year, in 2020. I have made it personally clear to senior managers that these deadlines are critical.

The Office of the Chief of Staff will also be closely tracking progress to ensure that audit recommendations are addressed to ensure full compliance. Before I close I would also like to briefly update you on the good progress we have made on implementing the recommendations of the Tone at the Top audit. The audit had a total of 21 observations to be addressed. Four required no additional follow-up after the completion of the audit. Six have been closed and implemented, especially and including those related to financial matters, travel procedures, use of corporate credit cards, etc. In addition, a further five recommendations are on track to be closed and reviewed by the Inspector General in the next two months.

In closing, I want to assure you of our commitment. Mr President. Hold us to task, hold us to the highest standards. We want to continue to have a close working partnership and collaboration. That does



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require you to ask the hard questions. We do not take that personally. We know that helps us be better because when we are better we save more lives out there and we want to be stronger, we want to be better than ever before and so thank you, for your strong and consistent support.

Mr President, having said all that, we will continue to respond and we will continue to be the best of the best, we will continue to strive to be better as we continue our lifesaving work for the people we serve all around the world. Thank you, Mr President.

