

Opening statement by Executive Director Josette Sheeran
to the Executive Board Session of WFP

Rome, 22 October 2007

Mr President, Excellencies, Delegates, Ladies and
Gentlemen, Director General, Sir John,

I am half-way through my first year, and honoured to be
here today, at my second Board meeting since I assumed
office in April.

This is a time of great challenge, but also great
opportunity, and, most importantly, a time of hope - not
only for WFP, but for people across our planet. I will talk
about challenge, opportunity and hope, and assess WFP's
position and role – as a key player in the UN's efforts to
break the cycle of hunger, meet the Millennium

Development Goals and the humanitarian needs of the most vulnerable.

First, I want to welcome all of you. I have found in my first six months an active – and often passionate – involvement from member countries. Many of you have travelled from your capitals, many of you I have met with, also in your capitals.

I have seen so many of you go above and beyond the call of duty, devoting your knowledge, expertise, and so often your resources, to helping us succeed. Many of you are yourself managing devastating human crises caused by severe climatic shocks, floods and droughts. Others have countrymen suffering the scourge of violent conflicts.

We unite under a banner of compassion, action and hope. WFP depends on your backing, and the support and coordination of our friends in the UN family – in Rome, in Geneva, in New York, in Nairobi, and in all the other capitals and countries where WFP operates, in partnership with governments and UN agencies. We will work to ensure the maximum coherence and efficiency of the efforts of the United Nations – to make the concept of One UN a reality, with WFP as a central partner – often in the deepest field, where our unique and extensive presence is one of our great comparative advantages.

I want to thank our special guests today – FAO Director-General Jacques Diouf and Emergency Relief Coordinator John Holmes. I am honoured by their presence. Jacques Diouf has been a truly excellent

colleague and partner for me since I arrived in Rome. He has offered his friendship, knowledge and – when requested – fast action to help WFP deal with the urgent cry of hunger. Thank you, Jacques.

I also extend my personal gratitude to Sir John. Like me, he has been in his position for less than a year. He brings a wealth of experience and, I have found, an iron determination inside a diplomatic demeanour. He has worked tirelessly and travelled endlessly to bring coherence and effectiveness to the world's humanitarian response. And, crucially for WFP, he champions the safety and humanitarian access of our staff across the globe. The partnership with Sir John and OCHA has again been underscored in the past few days, with the crisis in Somalia, where a staff member was taken from the UN compound and is being held without charges. We

condemn this action and demand his immediate release. I have sent Mr Mohamed Zejjari as my special envoy to Somalia to deal with this serious issue.

The protection of our humanitarian workers is a priority of paramount importance. Again, in only the past week, lives have been tragically lost when three of our drivers were killed in Sudan. This underscores the need to redouble our efforts to support our staff in the deep field and the sacrifices they make to bring help to the hungry.

This brings us to challenges: We have discussed them throughout the past months. Let us start by remembering that the global community *has* made progress in the fight against hunger. According to FAO, the proportion of under-nourished in the developing world has been cut by half over the past three decades, from 37% to 17% since

1970. More people today are being adequately nurtured than ever before in human history.

But the absolute numbers of hungry keep growing: today, there are 854 million hungry people in the world, according to FAO, and every year another 4 million join their ranks. And: while the proportion of hungry has slightly decreased in the last couple of years, we are not on track to meet Millennium Development Goal number one of cutting in half the proportion of people who suffer from hunger by 2015. With the global population expected to increase from today's 6.7 billion to 9.2 billion in 2050, we need to seek innovative and sustainable solutions to hunger.

And it appears our challenge is growing more complex. In fact, we may be facing a “perfect storm” in our fight against hunger.

Firstly, we are experiencing soaring commodity costs and tightening food stocks – caused by a number of factors including rising demand from emerging economies and biofuels production. The cost of procuring food for WFP rose more than 50 percent over the last five years. And in our Management Plan, we predict these costs will rise another 35% over the next biennium. We are facing some of the tightest food supplies in recent history. This summer, we were temporarily unable to procure enough wheat in Asia, delaying our flood response in DPRK by several weeks. At the food aid conference in Berlin in May, it was concluded we may be entering a post-food surplus world.

Many experts believe we see an actual reversal of what had been a decades-long trend toward declining food prices. Price increases bring some benefits for farmers. But for the world's most vulnerable, food is simply being priced out of their reach. And for WFP, it means that we can procure far less food for the same amount of funding than just a few months ago.

Secondly, climate change is causing increasing climatic shocks and vulnerabilities. These are not abstract issues for WFP; no agency operates closer to the frontlines of hunger and climate change; and we have already for years been involved in what we today call “adaptation”; tree planting, water control and land regeneration, and other measures to reduce the risks when natural disasters strike. The catastrophic flooding which has cut a swath of destruction across 29 countries in Africa, 19 in Asia

and 9 in Latin America is of epic proportions. And so are the human suffering and need. As farmers in the rich and poor countries alike know, the dry areas are getting drier, the wet areas wetter. For many of the world's poorest farmers, who lack the tools of resiliency such as irrigation or risk mitigation instruments, it is devastating.

The third trend is a global decline in resources for food assistance – more than 30% over the past decade – down to a level of 6.7 million metric tonnes last year – the lowest in more than three decades. In 2006, resources for food assistance fell by 18% compared to 2005.

These trends come together with the devastation of HIV/AIDS, which FAO estimates could reduce by 25% the agricultural labour force in sub-Saharan Africa by 2020. Challenges to security and stability arising from

conflicts over land resources, increased migration, and social tensions linked to food price increases, are factors that add to this “perfect storm” - and illustrate that the threat of hunger is not only a major moral and humanitarian challenge; it is also a strategic issue that deserves the high level and amount of attention rightfully given to health, HIV/Aids and climate change.

Lower food aid levels and rising commodity costs contribute to reducing the amount of food available for the most vulnerable. Combined with the rising numbers of hungry, we are faced with what I call the Hunger Gap.

We must ask ourselves: are we prepared to meet the coming challenges, to take the steps needed to weather the storm and to close the gap?

This leads me to opportunity. I think this is perfect timing to be working on WFP's Strategic Plan, while focussing firmly on 2015 and the MDGs. We will debate and reset our strategies and priorities. We will be able to position ourselves in relation to these growing challenges and within the context of overall UN coherence, as well as the strategies of the countries in which we operate. We will ensure that our tools and programmes are exemplary of best practices based on the accumulated knowledge and experience of WFP, and the communities we serve.

All of this will be based on the hard work that has gone into our current Management and Budget Plan. I want to thank all of you for your constructive partnership during our consultations. Some of you have asked: how did we get to this situation? Let me explain. But first let me quote the ACABQ report issued following the

committee's consideration of our Management Plan last week: "The committee welcomes the course of action being taken" on our organisational restructuring.

As you know, WFP is unique in the UN system – and perhaps in the world – in that we are under an unforgiving budget discipline of capping our overhead – all Headquarters, Regional Bureaux, Liaison Offices, and the leadership of the Country Offices – at only 7% of your contributions; and that all our overhead allowance comes last, as a derivative of our programme contributions. As you know, in the humanitarian and development world, overhead costs more than twice our level is considered to be best practice – thus putting WFP in the lead of efficiency. And most of our partner agencies have core funding – they can first fund administration, independent of the program size. This

means we are a truly and uniquely “needs”-driven organization that puts our programmes and field work first. And as you also know, not only is 93% of our spending in the field, so is more than 90% of our staff.

But this also means that the size of Headquarters, the RBs and COs rises and falls with the size of our programmes. I discovered that this “accordion effect,” coupled with a severe hit on WFP operations due to the euro-dollar exchange rates, commanded that we immediately reduce our overhead expenses to stay within the 7% cap – and we have done so by as much as 21%, including in my own office’s budget. But at no time has WFP borrowed money, or spent beyond our overall means. I am proud – as I am sure you are – that WFP will continue to devote a greater percentage of its budget

to operations than perhaps any other humanitarian and development agency in the world.

We are taking charge, managing the process to live within our funding limits, maximizing efficiencies, while seeking to minimize the consequences for our staff and our operational capacities.

As difficult as this has been, I want to tell you the process has deeply expanded my already profound respect for the WFP staff. Many of the Directors in the stakeholders group that advised me, offered up their own positions and ranks. Many volunteered to go to the field. All participated tirelessly to ensure an outcome that did not compromise our ability to deliver assistance to our beneficiaries, almost 90% women and children.

I will tell you that we have to cut to the bone – and in some places maybe even a bit more. Our aim is to emerge stronger and more streamlined and efficient than ever. I look forward to discussing with you how we can make sure that the robust and rapid humanitarian response capacity that you have built in WFP also can retain the highest level of preparedness and effectiveness, even in periods when large-scale emergency needs are less, as is the case now. We must look for ways to ensure adequate financing of the cost of services provided by WFP to the whole of the UN system, such as cluster leads, as well as security costs assessed to New York. Our aim is to ensure that we maintain capacities, preparedness and presence to meet hunger on the frontlines whenever and wherever we are called upon.

Why do I have hope? First, because all of you for four decades have built a great institution – a global treasure – in WFP, a treasure and investment I know that you do not want to put at risk. From a leading role in the UN in the humanitarian logistics and telecommunications clusters, to the network of humanitarian response depots, to the Humanitarian Air Service, to our life-saving programmes, which reach 3.1 million people in Darfur alone – WFP is providing essential services to the international community. We are poised and prepared for the challenges ahead.

And battle-hardened – our staff has been trained and honed on the front lines of hunger, from Iraq to Ethiopia to Bangladesh to Sierra Leone to Afghanistan to DRC and beyond. Many have lived separately from their

families for decades in difficult and often dangerous conditions.

Let me tell you about one of our field heroes - Subhash Singh, a 43-year old national staff member, who has wife and kids and works for WFP in Nepal. Six years ago, he went to the heartland of the Maoist insurgency to set up a WFP sub-office. To do his job, Subhash had to go on field trips that involved days of walking through treacherous mountain terrain and sleeping out in the open. There was no other way to get to the beneficiaries. He negotiated access with rebel commanders, explaining to them about WFP and its humanitarian mission. Once, a rebel soldier put a pistol against his heart and demanded he surrender his satellite phone. Another time, he managed to free an abducted field monitor through four days of patient negotiations. Subhash was so good at

getting things moving, he was temporarily sent to help out on the front line of the 2005 Pakistan earthquake.

The Pakistani army was impressed with his dedication in delivering food to quake victims, and gave him a medal for his efforts, to bring back to Nepal.

I thank and pay tribute to all of our brave and hard-working staff members, and to their spouses and families. And I commit to working with you, the member states, and within the UN system, to do everything I can to promote and protect their security. Only in the past few days, we have seen – in Sudan and Somalia – the security risks our staff and workers are exposed to, sometimes resulting in tragic loss of life. The capability and willingness of our staff to operate in the deepest field, in spite of the obstacles and dangers, is one of WFP's greatest assets and brings hope to hungry and

vulnerable people in some of the most difficult conditions in the world.

Another reason I have hope is because we know, as a global community, how to break the cycle of hunger – and we are succeeding in country after country. Today, nations that were huge WFP beneficiaries just decades – or even just years ago – no longer need food assistance from WFP or anyone else. Many have become donors, and we warmly welcome the contributions that an increasing number of nations make to our programs. For instance, Sudan, through the authorities in South Sudan, has become one of our top ten donor this year, following a 55 million dollar contribution to our operations - which help build roads, open access to markets for farmers and food for beneficiaries in the deep field, and contribute to economic activity and ultimately to support the fragile

peace agreement. And in Colombia, the government is making a counterpart contribution of 30 million dollars, half of our 60 million dollar project assisting internally displaced persons and other highly food insecure groups. This shows the ownership and commitment of new donor governments to build new partnerships.

This is the way it should be. The right to food begins with individual responsibility. When families cannot provide for themselves, normally governments step in to fill the gap. Food assistance by WFP and NGOs is needed when individuals or governments are not meeting the right to food fully on their own and require external assistance to fill the gap. That is when the right to food becomes a question of global solidarity. The trigger for external intervention for hunger solutions can be a disaster or crisis on a scale that not even the most

resourceful nations can cope with fully – just look at hurricane Katrina in New Orleans. Or the entry point for our involvement can be when our partner governments decide to include WFP and UN agencies' programs in their national priorities and strategies for development and poverty reduction. For example, in West Africa, WFP, WHO, UNICEF, FAO and others are partnering with governments in innovative programs to tackle the crucial issue of child hunger and undernutrition.

Partnerships are a core part of WFP's strategy for effectiveness. We operate nowhere on earth without partnering with local and international NGOs – in some cases deploying more than a thousand such partnerships in a single country operation. And we have new momentum with the work of the Alliance for a Green Revolution in Africa, the Gates Foundation, the

Rockefeller Foundation and many others to ensure the Green Revolution leaves no nation behind. Without our many NGO partners in the field, we would not succeed as well as we do in reaching as many millions of people as we do. And the private sector is playing an increasingly vital role. In fact, WFP's partnership with TNT of the Netherlands has been trumpeted as one of the premier and exemplary public/private partnerships.

I have hope because I truly believe that there is the potential to eradicate famine and acute hunger in our lifetimes. In an ideal world, WFP would not be needed. But this is not an ideal world. Instead we must work to meet our goals, reduce hunger and humanitarian suffering, reach the MDGs. I believe we can do this provided we focus more often on what unites us than what divides us. What unites us is profound – the deep

desire to eventually end hunger for the world's children, women and men.

We can do this, one child, one cup at a time. This red cup is from a school in northern Uganda. It was Lilly's cup – her name is scratched on the bottom. It costs us only about 10 cents a day to fill it. In northern Uganda and other vulnerable areas affected by acute and chronic hunger crises, WFP school feeding programs provide an incentive for children to attend school and a meal to help them concentrate, thus making the most out of other investments in education. I would like to propose that the world consider scaling up school feeding, in partnership with governments, and with local farmers contributing as much as possible, with the aim of creating sustainable solutions with governments ultimately running school feeding programs on their own, as part of a safety net

which underpins investments in education for young people.

And more and more, when we get cash contributions, we fill this cup with food made from locally purchased grain. This is another reason I have hope: we are experiencing a revolution in food assistance that helps ensure that we can break the cycle of hunger at its root even as we meet emergency needs. In recent years, many countries have moved to provide cash in addition to in-kind contributions, enabling WFP to purchase commodities anywhere on the globe. I am pleased to report that seventy-seven percent of that cash is used to purchase food in 70 developing countries – truly a win-win revolution in food assistance. These local purchases not only benefit small farmers – and, more often than not, extremely poor farmers – but also allow them to

participate in fighting hunger in their own neighbourhoods, villages, and countries. This way, we are also creating new partnerships between cash contributors and developing country producers. WFP local purchases amount to nearly a half-billion dollar investment in poor farmers in the developing world each year. In Uganda, for example, half of our food is purchased locally. Just last month, in Lesotho, WFP bought eight metric tonnes of maize from 20 semi-subsistence farmers in an impoverished part of the country for local school feeding programmes. WFP saved U.S. \$45 per tonne by buying from these farmers, who made a combined U.S. \$2,800 for their maize. This is what I call win-win. Farmers benefit and so do the children. This helps create sustainable solutions and break the cycle of hunger at the root.

This record of local purchases of commodities is paralleled by an equally impressive record of procurement in transport and other logistics services by WFP. All of this procurement help build permanent capacity in communities and countries to deal with hunger on the frontlines, and I pleaded that WFP will continue to be a leading pioneer in investing its resources in local developing country partners to help in our life-saving work.

That is my determination – to make all our interventions as sustainable as possible, as efficient as possible, as coherent as possible in terms of partnerships with governments and UN agencies, and as needs- and demand-driven as possible.

Our ultimate aim is to put hunger out of business. United we can do it.

I look forward to discussing all this with you over the next few days. During this Board, two innovations have been discussed with the President:

First the RDs will focus on major themes in their regions, in order to have a strategic discussion on issues like the role of WFP in peacekeeping, in bridging the gap between emergencies and longer-term development, and the impact of climate change on hunger.

In addition, on Wednesday morning, we will pay tribute to WFP staff, those we have lost, those who have served for many years – including a special tribute to Mr Graisse, who will be retiring this year, after 44 years of

UN service. We are so proud of you Jean-Jacques – you are not only exemplary of the best, but also currently the longest-serving international staff member of the UN.

Thank you.