



OPENING STATEMENT

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Welcome to all of you.

We gather at a momentous moment in history: some say the biggest challenge to the global economy since the 1930s; others say the biggest challenge ever. The perfect storm which engulfed global food markets, propelling an additional 75 million into urgent hunger and malnutrition – according to FAO, virtually overnight – is now also powered and accelerated by two additional storms: fuel and a global financial crisis.

Alan Greenspan, the former Chairman of the United States Federal Reserve, calls this a “credit tsunami.” The International Monetary Fund Managing Director, Dominique Strauss-Kahn, spoke Friday to the Chief Executives Board of the United Nations. He said, “The subprime crisis has now expanded to the worst financial crisis in advanced economy since the 1930s. At the same time, surges in prices of essential commodities: food, raw materials and energy, have boosted inflation and lowered living standards of households. As a result, hard-won social and macroeconomic gains are at risk. Together, the financial crisis and these growing strains on the poor present perhaps the biggest threat to globalization, and its many benefits, we have ever faced.” He also added that “A high degree of international cooperation has become urgent; there is no domestic solution to a crisis of this magnitude.”

The President of the World Bank, Robert Zoellick, opened the annual meetings of the IMF and World Bank several weeks ago with similar urgency. He said, "Children suffer long-term consequences from short-term economic shocks; many never fully recover. We estimate that 44 million additional people will suffer from malnutrition this year as a result of high food prices. For the children among them, this means lost potential that will never be regained. We cannot let a financial crisis become a human crisis." Zoellick warned that the triple hit of food, fuel and finances could be a tipping point for many developing nations, compounded as a drop in exports trigger a fall-off in investments. He predicted that the Bank may have to triple its lending.

During the Great Depression, the world retreated behind walls hoping a withdrawal would protect them, but the virus of economic and human deterioration spread like wildfire on the back of that isolationism. It is a sobering time; we must pull together and we must not forget those most vulnerable among us. As Kemal Dervis, the head of the United Nations Development Programme and the United Nations Development Group, and former Finance Minister of Turkey, pointed out on Friday, this era is marked and will be marked by volatility and unpredictability. He said if anyone tells you they know if oil will be US\$50 a barrel or US\$150 a barrel in six months, they are lying; we do not know. The energy bill of a developing nation could vary between US\$10 billion or US\$20 billion in just the coming months alone. Volatility is very difficult to manage: for the world, for WFP and for this Board and for the World Food Programme staff, but we must rise to this challenge. As some have pointed out, this crisis has hit Wall Street and Main Street but we must also not forget those villages and nations that have no streets.

During the past year, agriculture markets and access to food started to break down under all these pressures. Jacques Diouf reports that developing nations outside of Brazil, China and India experienced a 0.9 percent reduction in production this past year. Up to 40 nations imposed export bans. And, we are seeing, with the financial crisis, another clamp-down on export markets. At times, WFP was unable to even purchase food for those facing acute malnutrition and even starvation. Today, the nations of the Horn of Africa, Haiti and many others are still coping with a hunger emergency of enormous proportions.

Now is a time not for passions and pronouncements, but for plans and for action. We must not be discouraged and we must not lose our focus. Those of us gathered here today have proven that when the world pulls together, lives can be saved and solutions can be found. Together, we have acted to meet the challenge. Not only did WFP meet growing urgent demands from nations facing political instability and human tragedy, but we reformed our way of doing business to be better aligned with national strategies, more coherent with other United Nations and non-governmental organization programmes, and more sensitive to markets.

Of course, we have a long way to go with these improvements, developing an effective, accountable results-based policy and programme guidance in each area. But the response from nations, NGOs, the United Nations and recipients has been tremendously supportive. One example I will give is in Mozambique: our Purchase for Progress project is off to a running start with WFP, IFAD and FAO forming a joint plan to ensure that local poor farmers are part of the solution to hunger and food aid and food assistance. In Ethiopia, when it was faced with a nutrition crisis among children, WFP and UNICEF pulled together in an unprecedented way to work through the connection between supplementary feeding and therapeutic feeding and even looked at joint procurement, purchasing, logistics and delivery.

With the World Bank in Liberia, we worked on a school feeding programme, designing it in alignment with President Johnson Sirleaf's desire to use local produce to try to gear our programme to more urban targeting during the crisis there. In Ghana and Egypt, we worked with the governments to help with safety-net targeting and assessments and to ensure that any such targeting and assessments reach those most in need. During this past year, we also launched a broad nutritional partnership with the private sector, to ensure that our 90 million interventions are as effective as possible.

Many of you have seen some of these nutritional products, but I will just point them out again. Among other products developed and deployed was this chickpea-based product developed in India. This can be given to under-2-year-olds and it does not have to be refrigerated, requires no water, and is power-packed with nutrition. We developed it as a global public good that it can be used in India and beyond, and we are working to look at how to deploy this in other nations. Prime Minister Meles of Ethiopia was very excited about this, especially since they grow chickpeas there. This kind of

solution can ensure that when we reach the under-2-year-olds with this product, we will keep them off the therapeutic feeding rolls. And as UNICEF points out, therapeutic feeding is four times more expensive than reaching children with basic nutrition early on. So I am just going to pass this paste around which was developed by our staff and food scientists in India. I want to thank India for that.

I have a pack of fortification powder here. When I was recently in the north of Ghana where they have suffered from floods, I met with the women's cooperative that is adding this fortification powder for six cents for ten kilos of flour, and that is accelerating the nutritional benefit of that grain enormously. The women had jobs, WFP's programme was improved, and the flour is also sold on local markets; it is the first time fortified flour is available in that region.

I think I have shown you this date bar from Egypt previously. In speaking with Ms. Mubarak, the Prime Minister, and others, Egypt was interested in a product that could be delivered to schoolchildren to ensure that they got all the nutrition they needed in one easy step, easy to deliver, and made with local products. This date bar is a real win in our school feeding programmes and in the national school feeding programme that we support in Egypt.

I think I have shown you the iodized salt. This particular bag comes from Ghana. In Ghana, I met with village women iodizing the salt. This results in a job for the women and an income for the women, but also deals with the epidemic of iodine deficiency diseases. If we are going to deliver the interventions, let us be as smart as possible, making sure we are giving an adequate nutritional platform when we do it. The amazing thing about this, is it does not cost a whole lot more to do it right when we draw on the talents and knowledge that exist in the world.

In Myanmar, after the storms hit, people did not have access to cooking materials and the Government of India helped us solve the problem with these ready-to-eat meals of rice and other nutrients that could be delivered immediately and urgently. Many of you have seen our high-energy biscuits. I think these were developed in Pakistan, but we develop these throughout the world to ensure children who are over 2 years old, who can eat the biscuits, can get the urgent help they need.

And then, of course, the sprinkles that can be added to a cup of food – I cannot forget my Red Cup – immediately transforms that into a powerful nutritional intervention for children for one or two cents a cup; UNICEF and WFP are in partnership in deploying this wherever possible.

We had a Global Meeting with all the country directors and division directors at WFP a few weeks ago where we looked at the practical application of the Strategic Plan that you approved in June. We discussed developing the programme tools and the overall policy – but also the evaluation process to ensure that we always reinforce a learning culture, that as we take steps we learn and we adjust based on proven results and evidence.

The Secretary-General's task force on high food prices which pulled us all together at a very critical time, is viewed now as a model for how we can deal with the financial crisis and the fuel crisis, and how we can ensure that the United Nations has a coherent response. WFP has been really recognized in that process for offering a well-defined, coherent space for its work. And of course, this year we rolled out emergency help to more than 60 nations affected by the crisis.

As a result of this crisis, as you know, our programme doubled this past year, adding almost 20 million more people in urgent need of interventions. I want to thank all of you who helped us to mobilize the resources quickly and urgently and to prevent levels of human suffering. With the record contribution by the Kingdom of Saudi Arabia of US\$500 million and the critical generous contributions from European nations, the United States, Japan, Canada, Australia, Sweden, United Kingdom, Germany and so many others, we were able to roll out more than US\$840 million to more than 60 nations to address their urgent hunger needs. In August, we were able to deploy US\$214 million in targeted support to 11 million people in 16 countries, and have received a number of responses from countries saying it virtually stabilized the nation.

This year, WFP has also been on the front lines of responding to sudden onset emergencies in the Horn of Africa, Haiti, Myanmar and Georgia, to name just a few, and you will hear more of these from our Regional Directors who will be speaking this afternoon and throughout the week.

On our Management Plan, I want to thank the Board members for their engagement over the past few months as we went through this update. I have taken into account what we have heard from you in July, early September, and this month as we finalize the document. I understand that some of you still have concerns. Let me assure you that in this time of great unpredictability and volatility, we also share those concerns. The Plan before you is not a growth budget, but rather stops further reduction in 2009 and builds back a bit of what we cut in 2008, adding a small amount of capacity in targeted areas that urgently need strengthening. We agree that we need to keep the situation under review and we need to manage the risk. We will manage any growth in a controlled and phased manner. If income does not materialize, then we need to manage the growth or, indeed, again begin to reduce. We have shown you, given our financial structures, that we have financially, that we can adjust, and we do adjust as needed. I hope that this addresses your concerns, and I assure you that we will be keeping the Board members informed throughout our regular Management Plan updates.

I would like to also mention that, as many of you know, we have been operating down by two Deputy Executive Directors; we already have a small number. I want to start by thanking John Powell and Sheila Sisulu for taking on double the load in a year when our load doubled. So what does that mean, a 100 percent increase in the load – a 400 percent increase? Thank you, it's good to have a good financial officer. I also want to thank our Operating Committee: Ramiro Lopes Da Silva, Manuel Aranda Da Silva, and Amir Abdulla, who have taken on an enormous load in addition to their day-to-day responsibilities. I also want to thank our Regional Directors and others who have been called on to do more in a year when we have been tested and the demands on us have been greater than ever before in our history.

We have conducted an open, global search for DED slots that we have open. We have been working with a search firm called Heidrick and Struggles, based in London, which was identified through a competitive tender process. An advertisement was placed in the international version of *The Economist* magazine with a closing date of 16 August, to which there was an excellent, if not overwhelming, response. This search firm was charged with looking at the long list of applicants and winnowing that down, with 23 individuals selected for further process, which involved sending them a copy of the WFP Strategic Plan and asking them to prepare a statement indicating how they would see themselves contributing to its deployment.

Based on the statements received, 12 candidates were selected to come to Rome for interviews and also for further screening and an occupational personality questionnaire and assessment conducted by an outside firm. As an overview of the characteristics of the short list, 49 percent are from Europe, 17 percent from Asia and Pacific, 17 percent from Latin America, and 17 percent from Africa; 75 percent are male, 25 percent female; 58 percent of the candidates were government nominees, 75 percent were external candidates and 50 percent were interviewed from within the ranks of the United Nations. We deployed a panel to do the interviewing chaired by Akinwumi Adesina, who is the Vice President for Policy and Partnership Alliance for the Green Revolution in Africa. It also included Under-Secretary-General for the Department of Field Support, Susana Malcorra, Ms. Thoraya Obaid, Executive Director of UNFPA, and António Guterres, the United Nations High Commissioner for Refugees.

After the formal panel interview, in a unique innovation, the candidates were invited to meet with a small group of senior WFP staff, including our Director of Programming, Director of Donor Relations and Deputy Director of Human Resources, and our Country Director in Cameroon, in order to ask questions and have a dialogue about WFP. We hope to complete the recruitment process in the coming weeks, and of course we will work with you as we complete this process. But we need the help and we need it now.

Now, I want to turn our attention to one of the biggest challenges we face on the ground every day: the security and safety of our staff. The Ambassador of the United States asked us to give a regular report on this and we are pleased to do so. Conflict and unrest continues to be a major challenge to our ability to deliver assistance where it is needed most. I want to show you a quick video that our communications team has put together about the challenges we are seeing in the places where we work.

[Video Screening]

As we have seen, we are facing major security challenges in many places. This year, four of our staff members have been killed as a result of malicious acts. I am sure you have all read about the most recent killing of one of our national staff members in Somalia, Abdinisir Aden Muse. Abdinisir was born in Merka. He worked as a field monitor assistant and eventually took up the position of senior programme assistant in August 2008. He acted as officer-in-charge during the time WFP was expanding its operations in

Lower Shabelle and recruiting international staff. Abdinasir also facilitated one of the few donor missions to Somalia and to Lower Shabelle from Canada's CIDA, and the United Kingdom's DFID, in October 2007. He was killed just days ago in the coastal town of Merka, 100 kilometres south of Mogadishu when an unidentified gunman shot him as he was walking home from the mosque after evening prayers. I want to offer the family and friends of Abdinasir and our colleagues in Somalia our deepest condolences.

WFP is facing additional security risks in the unprecedented crisis of high food prices. The doubling and tripling of commodity prices, which is holding in most local markets still, has opened up the potential of social unrest among desperate people who may well be tempted to target our drivers and our security guards, our vehicle fleets, as well as our warehouses, storing increasingly precious supplies of rice, maize, wheat flour and cooking oil.

As I have already mentioned, in Darfur, WFP provides the only access to food for more than 3 million people a day. Since January 2008 more than 100 trucks have been attacked in Darfur; the majority are still missing and 41 drivers are still unaccounted for. Two contracted drivers were killed in Darfur and four killed in Southern Sudan. Following these events, we put out an urgent announcement that due to violence we were able to only get half the necessary supplies into Darfur, threatening a 50 percent cut in rations just as the lean season arrived.

As you know, piracy has been another security concern, with the 2008 spike in attacks on the high seas threatening to cut WFP's main supply route where 2.4 million people rely on us daily. This is the worst year for piracy off Somalia and the Gulf of Aden on record, with more than 70 attacks so far this year compared with a total of 31 attacks in 2007. With the support of French, Canadian, Dutch and Danish naval escorts, WFP food was able to move safely on the shipping lanes off Somalia. Since the naval escort system started in November 2007, no escorted ships have been attacked by pirates despite an overall upsurge of piracy incidents. However, in a recent two-week gap in coverage, two of our ships were attacked by pirates.

Without escorts, WFP's whole maritime supply route will be threatened. Besides the obvious threat from pirates, ship owners are not willing to take the risk of sending in huge ships carrying WFP food. During the break between the Dutch and Canadian escorts in June, most ship-owners refused

to load WFP food for Somalia without naval escorts. I think in a real example of United Nations coherence, the Secretary-General has helped champion this cause along with our colleagues at the International Maritime Organization and the Security Council, recognizing this threat and working with the TFG in Somalia, to authorize, legally, the escorts and protection of these ships.

I want to thank all the governments who have helped. NATO has agreed to assign two ships to escort WFP contracted vessels until the end of the year. I also want to thank Canada who took on double duty and also the Dutch for returning last week to assist our ships. Thank you. The only alternative to moving food by ship would be an airlift, which, of course, would exponentially raise the cost and inevitably cut back on the amount of food that could reach people.

WFP has the utmost concern for the safety and security of all those who work for us, whether they are staff, employees of contracted companies, or people seconded from NGOs and other aid agencies, or our host government colleagues, and yet – almost on a weekly basis – we receive these reports. This level of insecurity is quite simply unacceptable and threatens our ability to reach those most in need. In Somalia, most, if not all, NGOs have had to withdraw; most, if not all, United Nations agencies have had to withdraw. We must stay in there to offer vital protection to people whose basic needs are not being met.

I will mention here that I have been asked by the Secretary-General of the United Nations and by the Chief Executives Board to chair the High-Level Committee on Management for the United Nations for the next two years, which will be considering, among a very urgent agenda on United Nations coherence, also the issue of a new security framework for the United Nations.

I want to close by looking at an earlier time of trauma in the world that came in the aftermath of World War II, when Europe was faced with a total disintegration of its economic fabric and was faced indeed not only with hunger but with starvation. After the war, in the United States, the public discussions of the need to help Europe had been largely ignored. It was decided that all doubt must be removed by a major address by the Secretary of State, George Marshall, at the time. He gave an address at Harvard on 5 June 1947; he said at that time, "It is logical that the United States should do

whatever it is able to do to assist in the return of normal economic health for the world, without which there can be no political stability and no assured peace. Our policy is not directed against any country, but against hunger, poverty, desperation and chaos." According to historians, it is now acknowledged that the United Nations Relief and Rehabilitation Administration, which helped administer that massive programme of help and helped millions of refugees from 1944 to 1947, also laid the foundation for European post-war recovery. I think it is urgent, at this time, that we consider that we need new thinking to cope with the level of challenge that we have, but most critically that we pull together to ensure effective targeted action as we face the storms ahead.

I would like to close with a video, and I give thanks to TNT, our Dutch partner, who has produced this video first for their own staff to inspire them about their collaboration with WFP, and then for us for our Global Meeting. I would like to share it with you because I think it really captures the essence and the heart and the spirit of WFP, and of this Board and of our work together.

[Video Screening]

End.