

WFP Operations in Mauritania

Office of the Inspector General
Inspection Report IR/01/2013



World Food Programme

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Inspection of WFP Operations in Mauritania

I. Executive Summary

Introduction

1. WFP received communications from major donors, in late 2012 and early 2013, advising of concerns about WFP operations in Mauritania, focussed on work in the Mbera camp - the location of refugees from Mali. The Office of the Inspector General carried out an inspection to review the concerns raised by the donors, and make recommendations to improve the functioning of the operation.
2. The inspection was carried out in accordance with the Charter of the Office of the Inspector General.

Key Results of the Inspection

3. WFP's operations in Mauritania, and in particular assistance to Malian refugees in the Mbera camp, suffered from the impact of poor working relationships between WFP and UNHCR, combined with ineffective management of the WFP Country Office in Mauritania. The inspection observed wide-ranging weaknesses in governance, risk management and controls over key functions in the Country Office.
4. The inspection noted that although many areas for improvement were observed, some improvements had already started. Various monitoring reports noted progress in the operation of Mbera camp, such as better nutritional status of the beneficiaries, enhanced distribution methods, and increased monitoring. The cooperation between WFP and UNHCR had improved, the Country Office management had advertised additional posts and put in place a new, more detailed, office organisation, and a more effective relationship between Country and Sub-Office management is now in place.
5. The inspection report contains 16 recommendations. The key observations arising from the inspection were as follows:
6. **Relationships, communication and information-sharing** – Working relations needed significant improvement, communication was poor and cooperation was ineffective between WFP and UNHCR at Country Office and consequently Sub Office level. The working relationship between the Regional Bureau and the Country Office was difficult. The Country Office, Regional Bureau, and Headquarters made efforts to improve the working relationships, but these were insufficient. Information-sharing with donors regarding the risks of the operations in the Mbera camp were not effective.
7. **Legal frameworks** – WFP and UNHCR did not appropriately ensure WFP's control framework through setting out an access and reporting structure for the Mbera camp, which would allow the operation to demonstrate that results are in line with WFP's mission and strategic objectives. The 2012 tripartite agreement between WFP, UNHCR and the implementing partner did not provide appropriate rights of control by WFP to mitigate the fact that WFP bears significant reputational risk but is not directly responsible for distributions. While this has been partially remedied in the 2013

agreement, the conclusion of this agreement was delayed, and opportunity for improvement remains.

8. Country Office management, oversight and organisational and reporting structure –

The Country Director had not put in place proper organisation and reporting structures and delegations of authority, and had weak managerial oversight over the key processes of finance and accounting, programme, and logistics. The assurance statement and risk management processes in the office were substandard. Had the usual control framework and tools been performed appropriately, some of the issues encountered by the inspection could have been avoided.

9. Beneficiary numbers – While responsibility for actual beneficiary numbers was clearly assigned to UNHCR, neither the umbrella agreement nor the tripartite agreement clarified roles and responsibilities for forecasts of beneficiary numbers, which is a key figure for WFP to ensure an adequate supply chain. Accuracy of beneficiary numbers proved to be a problem.

10. Implementing partner's food losses – The Country Office did not implement the applicable clause of the tripartite agreement which states that the implementing partner will reimburse WFP for food lost.

11. Nema base – The Country Office provided incomplete and misleading information in the various documents and transactions for approval of the construction and security of the Nema base. Further, the Country Director exceeded his delegation of authority; no documented assessment was done to justify the need for a logistics base in Nema; and the Country Office did not comply with corporate procedures and policies on opening of field-based offices.

Management response

12. Management accepted all the recommendations and has reported that they are in the process of implementing them.

13. The Office of Inspections and Investigations would like to thank managers and staff for the assistance and cooperation accorded during the inspection.

David Johnson
Inspector General



II. Context and Scope

Mauritania

14. Mauritania, with an estimated population of 3.3 million, ranks 155 of 187 countries in the UNDP 2012 Human Development Index. Three quarters of Mauritania's territory of about one million square kilometres is desert and only about ten percent is arable. Mauritania is one of the Sahelian countries hardest hit by successive droughts over the past 30 years as well as recurrent floods and locust infestations. The lean season lasts five to six months and half of the rural households lack access to safe drinking water. High incidences of diarrhoea, malaria and acute respiratory infections further undermine already fragile health conditions.

15. Mauritania has experienced its worst food crisis for years, with the 2011-2012 Sahel drought, coupled with continued high food prices. According to the Food Security Monitoring System (January 2013), 16.5 percent or 560,000 of Mauritians are food-insecure (approximately 340,000 in rural or agro-pastoral zones; 225,000 in urban areas). Malnutrition levels, however, have stabilized at the December 2011 levels. The global acute malnutrition rate is currently at 5.8 percent against the 6.8 percent of December 2011 and no region in Mauritania has reached the alert threshold. WFP continues treating moderate acute malnutrition through its specialized nutrition rehabilitation centres (CRENAMS) in the 9 regions of Mauritania (FSMS, December 2012).

16. As a result of the crisis in Northern Mali, Malian refugees have sought shelter in Mauritania; currently, more than 74,000 refugees are registered by UNHCR (following level II registration) in Mbera camp, Hodh el Chargui region. This is one of the most food-insecure and poorest regions in Mauritania. This factor further aggravates the livelihoods of populations in the region.

WFP Operations in Mauritania

17. WFP provides assistance to Malian refugees through Regional Emergency Operation 200438, implemented in Mauritania, Burkina Faso and Niger.

18. In 2012, operations in Mauritania started to scale up as a response to the drought in the Sahel. In February 2012, WFP launched Emergency Operation 200333 for an initial 11 months "for mitigation measures and emergency response to people affected by the food crisis in Mauritania", later extended to cover 15 months. Activities under this project included general food distribution, cash transfers, supplementary feeding for children under the age of five and pregnant or lactating women, blanket feeding for children under the age of two, support to cereal banks, and food for work. The initial project document did not include the region where the Malian refugees would stay, due to insecurity – the host communities were added in the first Budget Revision.

19. WFP operates from a central office in Nouakchott, four sub-offices in Kaedi (Gorgol), Kiffa (Assaba), Aioun El Atrouss and Bassikounou (Hodh el Chargui) and a field office in Nema (Hodh el Chargui) which allow for all around coverage of all activities in the country. WFP operations are implemented in eight regions and in the semi-urban fringes of Nouakchott.

Mbera camp

20. Regional EMOP 200438 provides assistance to Malian refugees hosted in Mbera camp, near the Bassikounou sub-office, through General Food Distributions and nutritional interventions – treatment of moderate acute malnutrition for children under five and pregnant or lactating women, and the prevention of moderate acute malnutrition through targeted supplementary feeding of children under two. Targeted food rations have also been provided to host communities in the nearby villages through this programme.

21. The operations in the Mbera camp were governed by WFP's mission and the following key documents:

- Umbrella agreement between WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR) signed in January 2011, superseding the previous agreement of July 2002.
- Project document for Mauritania EMOP 200333 for high food prices and natural disasters, signed by the Executive Director (ED) on 9 February 2012 (before the Mali refugee crisis started), covering the period from 1 February to 31 December 2012, and subsequently revised three times, extending it to 30 April 2013.
- Project document for Immediate Response Emergency Operation (IR-EMOP) 200401 for initial support to refugees from the Mali crisis in Mauritania, approved by the Director of Emergencies on 20 February 2012, and covering the period 20 February to 20 May 2012.
- Agreement between WFP, UNHCR and the Mauritanian government (represented by an implementing partner) signed in April 2012, valid to 31 December 2012, and referring to 45,000 refugees at the Mbera camp at the end of March 2012.
- Project document for Regional EMOP 200438 for the Mali crisis, approved by the ED on 16 May 2012, covering the period 1 June to 31 December 2012, and extended to 31 December 2013 through Budget Revision 2, approved by the ED on 31 January 2013.
- Agreement between WFP, UNHCR and the Mauritanian government (represented by the same implementing partner) signed in April 2013, covering the period 31 March to 31 December 2013, and referring to 75,000 refugees at the Mbera camp.

Objective and scope of the inspection

22. WFP received two communications from the European Commission (23 January and 19 February 2013) and one from the government of the United States (22 December 2012) in relation to concerns about:

- Poor relations between WFP and UNHCR in Mauritania
- Reports of malnutrition in the Mbera camp
- The accuracy of the targeting mechanisms for the Mbera camp
- Irregularities in food distribution in the Mbera camp
- The responsibilities in the agreement between WFP and UNHCR for Mauritania
- The need for renegotiation of the agreement between WFP and UNHCR for Mauritania

23. The objective of the inspection was to review the concerns raised by the donors, identify possible management challenges and make recommendations to improve the functioning of the office. The inspection was coordinated with an inspection undertaken by UNHCR into the same concerns.

24. The scope of the inspection covered the following processes for the period 1 January 2012 to 31 March 2013 (and, where necessary, reviewed transactions and information outside this period):

- **Governance:** including internal communications and oversight; relations with external parties including donors or other UN agencies in particular UNHCR; strategic planning; and management.
- **Human Resources and Administration:** including recruitment; performance management; and monitoring of private use of office property.
- **Programming:** including project planning and approval; project implementation; monitoring process; and implementing partner management, in particular in relation to the Mbera camp.
- **Logistics:** including vendor management, selection, and contracting process; and COMPAS, in particular in relation to the Mbera camp.

25. The inspection carried out a field mission in Mauritania in April 2013, including Nouakchott, Bassikounou, Mbera camp and Nema, collected relevant information and discussed matters arising as needed with key managers and staff including the Country Director and Officer in Charge of the Country Office.

III. Results of the inspection

26. A total of 16 observations were made, of which eight are considered as key observations and are detailed in Section IV of this report. Tables 1 and 2 below present the key and additional observations respectively.

Management response

27. Management agreed with all recommendations and reported that implementation is in progress.

Table 1: Summary of key observations (see section IV for detailed assessment)

Observation	Recommendation	Owner	Management Response	Due date
Governance				
1 Relations with UNHCR in Mauritania: Working relations needed significant improvement, communication was ineffective and cooperation was ineffective between WFP and UNHCR at Country Office and consequently Sub Office level. Efforts made to improve the relationships by the Country Office, the Regional Bureau, and Headquarters were insufficient.	Ensure appropriate levels of working relations, communications, and cooperation with UNHCR in Mauritania.	Mauritania Country Office	The Country Office has begun to rebuild relationships between the new WFP and UNHCR country teams in Mauritania. This will continue.	Immediately
2 Relations between the Regional Bureau and the Country Office: The working relationship between the Regional Bureau and the Country Office was difficult, and the difficulties originated in, and were experienced by, both sides, to the extent that the Regional Bureau elevated the issue of non-cooperation by the Country Office to Headquarters senior management.	Put in place mechanisms to ensure effective communication and working relations between the Mauritania Country Office and the Dakar Regional Bureau.	Dakar Regional Bureau	The Regional Bureau has re-established effective communication between the Regional Bureau and the Country Office. This will be maintained.	Immediately
3 Information sharing with donors in Mauritania and about WFP operations in Mauritania: The Country Office had not been pro-active in identifying and communicating the risks of the operation in the Mbera camp with donors.	Ensure appropriate, proactive and early communication with key donors regarding its operations, including, if necessary and after elevation to the Regional Bureau, communication of risks.	Mauritania Country Office	The Country Office has started a more effective regime for communicating with donors. This will continue to be improved.	Immediately

Observation	Recommendation	Owner	Management Response	Due date
4 Legal frameworks between WFP and UNHCR: The 2012 tripartite agreement between WFP, UNHCR and the implementing partner did not introduce appropriate levels of control rights by WFP to mitigate the fact that WFP bears significant reputational risk and lacked an access and reporting structure for the Mbera camp, which would allow the operation to demonstrate that results are in line with WFP's mission and strategic objectives. While this has been partially remedied in the 2013 agreement, this agreement was concluded late, and opportunity for improvement remains.	Renegotiate the tripartite agreement to enhance WFP's access in the camp, providing an adequate framework of access and reporting to allow the operations to demonstrate that they meet WFP's mission and objectives, and including all necessary clauses (for example to cover the provision of fuel if needed).	Mauritania Country Office	The Tripartite Agreement was renegotiated and an improved version was approved and signed. This included enhanced access and improved reporting. However, noting the recommendation for further improvements, these will be negotiated and included where possible in the next version of the agreement.	31 December 2013

Observation	Recommendation	Owner	Management Response	Due date
Human resources and administration				
<p>5 Country Office management, oversight and organisational and reporting structure: The management of the Country Office lacked proper organisation and reporting structures, and had weak managerial oversight over finance and accounting, programme, and logistics processes. There was weak understanding by the Country Director and staff of applicable policies and procedures and delegation of authorities was unclear. There was a lack of sufficient and appropriately skilled staff and lack of training. The Country Director did not undergo a consultative procedure for the 2012 assurance statement process in the office, nor did the Office complete the self-assessment checklists.</p>	<p>Put in place and document an effective organizational structure, including sufficient and appropriately skilled staffing, and file the necessary documentation in line with retention procedures. Establish the Local Committees and make them operational, including the development of standard operating procedures for meetings and minutes. Clarify and communicate delegations of authority.</p> <p>Overhaul the logistics function and programme procedures, put in place the right expertise and appropriate procedures, and implement at least the minimum corporate controls in the areas of logistics, programme and finance and accounting as noted in the inspection.</p> <p>Undergo an internal interim assurance process, completing the self-assessment checklists and putting in place a plan to remedy any identified weaknesses, before the 2013 assurance process begins.</p>	Mauritania Country Office	<p>The Country Office has begun the process to:</p> <ul style="list-style-type: none"> • put in place and document an effective organizational structure. • file documentation in line with retention procedures. • review and update the local committees, make them operational and develop standard operating procedures for minutes and meetings. • clarify and communicate delegations of authority. • document the consultant selection and hiring process • overhaul the logistics function. • overhaul the programme procedures. • overhaul the finance and accounting procedures. • carry out an interim assurance process. • remedy any identified weaknesses. 	31 December 2013

Observation	Recommendation	Owner	Management Response	Due date
Programming				
6 Responsibilities for actual and forecast beneficiary numbers: While responsibility for actual beneficiary numbers was clearly assigned to UNHCR, neither the umbrella agreement nor the tripartite agreement clarified roles and responsibilities for forecasts of beneficiary numbers.	Ensure that roles and responsibilities between UNHCR and WFP, regarding forecasting of beneficiary numbers, are clarified in the tripartite agreement.	Operations Services Department	<p>Improved clarifications have been made in the April 15th version, but the Country Office will include further improvements if possible in the next renegotiation of the tripartite agreement.</p> <p>The Working Group that had been instituted to negotiate at technical level the model Field Level Agreement with NGO partners is currently reviewing the model Tripartite Agreement. In this context, due attention will be paid to the clarification of roles and responsibilities between UNHCR and WFP for the forecast of beneficiary numbers.</p>	<p>31 December 2013</p> <p>30 April 2014</p>

Observation	Recommendation	Owner	Management Response	Due date
7 Implementing partner's food losses: The Country Office did not implement the applicable clause of the tripartite agreement which states that the implementing partner will reimburse WFP for food lost.	Review the losses reported by the implementing partner for the General Food Distribution in Mbera camp, and the two percent provided over requirements, and recover non-reimbursed losses as far as possible, then proceed with the necessary authorization for writing off any remaining losses, including determination of any individual responsibility for the losses.	Mauritania Country Office supported by the Dakar Regional Bureau	The Country Office, supported by the Dakar Regional Bureau, will <ul style="list-style-type: none"> Review the loss history. Review the amounts provided over requirements. Negotiate with UNHCR and the implementing partner for recovery of losses. Proceed with any necessary write-off process as appropriate. 	31 December 2013
Logistics				
8 Nema base: The Country Office provided incomplete and misleading information in the various documents and transactions for approval of the construction and security of the Nema base. The Country Director exceeded his delegation of authority. Headquarters was not involved in the construction. No documented assessment was done to justify the need for a logistics base in Nema. The Country Office did not comply with policies on opening of field-based offices.	Carry out a full and thorough review of the planning, approval, and implementation process for the Nema base, and determine all breaches of corporate procedure and delegation of authority, and report the outcome to the Regional Bureau for appropriate action including reallocation of financing to programmes	Dakar Regional Bureau	The Dakar Regional Bureau will: <ul style="list-style-type: none"> Review the process undertaken for the Nema base. Determine all breaches of corporate procedure. Report the outcome to the DED & COO for appropriate action. 	31 December 2013

Table 2: Additional observations

Observation	Recommendation	Owner	Management Response	Due date	
Governance					
9	Enterprise risk management and Emergency Preparedness and Response: The Country Office did not have effective risk management, and had not fully prepared the Emergency Preparedness and Response Package.	Put in place the Emergency Preparedness and Response Package and undertake regular risk management including in depth analysis of risks facing the operations as per corporate procedures. Identified risks and mitigating actions should be discussed with the Regional Bureau where appropriate and jointly determined whether any should be elevated to Headquarters for mitigation including potential proactive communication of risks to donors.	Mauritania Country Office	Agreed	31 December 2013
Programme					
10	Implementation of General Food Distribution in refugee camps: The need of refugees to use food for other purposes besides from their own direct food needs was not adequately addressed, and the standard WFP food basket did not match the beneficiaries' preferences.	Analyse the appropriateness of the basket and the frequency of food distributions for the refugee operation, taking into account the associated utilisation costs for the beneficiaries, as well as Country Office available resources, where necessary in cooperation with other involved parties.	Dakar Regional Bureau	Agreed	31 December 2013
11	Other activities in the Mbera camp: The implementation of other activities encountered problems due to misalignment of WFP activities with approved project budgets and beneficiary needs.	Strengthen the commodity management for the implementation of other activities in Mbera camp.	Mauritania Country Office	Agreed	31 October 2013
12	Calculating commodity quantities for temporary malnutrition interventions: There was an error in the methodology used to calculate the needs for temporary malnutrition interventions, which if used would have resulted in commodity being procured for fewer beneficiaries than needed. However, due to the absence of the particular commodity for other reasons, the error did not affect the operations.	Adjust the regional EMOP to reflect correct numbers of beneficiaries for malnutrition interventions based on past figures and estimates from the Country Office.	Dakar Regional Bureau	Agreed	31 October 2013

Observation	Recommendation	Owner	Management Response	Due date
13 Timing of the response to reports of malnutrition and food diversion in the Mbera camp: Complex allocation of roles and responsibilities in the camp between WFP and UNHCR put in place by the country offices of the two organisations, with overlaps and lack of clarity regarding ultimate responsibility and accountability, resulted in delayed response to reports of malnutrition and food diversion in the Mbera camp.	Be more alert and responsive to the risks of operating in camps where WFP does not have control of distribution modalities, and elevate such risks formally to the Regional Bureau and Headquarters early.	Mauritania Country Office	Agreed	Immediately
14 Support to host communities: The Country Office's projects and the Regional Emergency operation were not aligned with regards to the host communities, which led to an apparent overlap in coverage between projects.	Review projects and align any overlaps or gaps between the coverage of the Country Office's portfolio and the Regional Emergency operations in Mauritania.	Mauritania Country Office	Agreed	31 October 2013
15 Distribution monitoring in the Mbera camp: In 2012, food was given to "heads of sector" rather than to beneficiaries directly. These heads of sector would take the food and give it to the beneficiaries, reportedly after UN staff left Mbera camp. It was therefore not possible to monitor the actual distribution to beneficiaries. A process was not in place for the Country Office to receive reports of any distribution monitoring work that may have been done. Once the Country Office properly started to monitor food distributions, the monitoring was not adequately staffed and planned.	Set up the necessary processes to have adequate food distribution monitoring information. This could include receiving reports from other parties and/or a resourced monitoring plan including risk based coverage.	Mauritania Country Office	Agreed	31 October 2013
16 Reporting on programme execution in the Standard Project Report: The standard project report template is not adequate in providing sufficient transparency on the achievement of the objectives in the case of the regional emergency operations in Mauritania, mainly due to the highly fluctuating beneficiary numbers. Errors noted in the programme cycle and supply chain process could have resulted in errors in figures in the standard project report.	Include enough information in the SPRs for readers to be able to understand the level of implementation of the project.	Mauritania Country Office	Agreed	31 December 2013

IV. Detailed Assessment

Governance

Key observation

Observations 1 to 3 Relationships, communication and information-sharing

28. **UNHCR:** Working relations with UNHCR needed significant improvement, there was poor communication and ineffective cooperation between WFP and UNHCR at Country Director and Country Office and consequently at Sub Office level. Both Headquarters and the Regional Bureaux of WFP and UNHCR were aware of the breakdown in working relations and in April 2012, a mission jointly led by the WFP Regional Director, in his capacity as Deputy Chair of the Regional UN Development Group and as Regional Director, and the UNHCR regional representative, was undertaken to try to improve the working relations between UNHCR and the UN Country Team, and WFP in particular. While the relations between UNHCR and some members of the Mauritania UN Country Team were challenging, the relation between UNHCR and WFP were particularly ineffective and had broken down, both at the country level and the Mbera camp level. The situation at the camp level reportedly improved when the UNHCR Head of Sub Office changed.

29. **Regional Bureau:** The working relationship between the Regional Bureau and the Country Office was difficult, and the difficulties originated in, and were experienced by, both sides. The Regional Bureau even elevated the issue of non-cooperation by the Country Office to Headquarters senior management.

30. **Donors:** In December 2012, USAID and the US State Department wrote to the Executive Director of WFP and the High Commissioner of UNHCR raising concerns about the Mauritania refugee operation. In the first two months of 2013, ECHO sent two letters to WFP (dated 23 January and 19 February) raising concerns about the same operation. Similar letters were sent to UNHCR. One of ECHO's requests was for "more complete reporting on post-distribution monitoring with the results shared more widely **in order to define action to address issues as they are identified**" (our emphasis). The inspection concludes that communications with donors could have been better.

Recommendations 1 - 3

Underlying cause of observation:

Working relations, communication and cooperation were ineffective between the Mauritania Country Director/Country Office and UNHCR at Country and consequently at Sub Office level, and between the Country Office and the Regional Bureau. Efforts made to improve the relationships by the Country Office, the Regional Bureau, and Headquarters were insufficient. Communications to donors regarding the operations in the Mbera camp and its risks were insufficient. The fact that the Country Office did not have effective risk management in place contributed to the late recognition of this risk.

Implication:

The breakdown in working relations, communications and cooperation resulted in less effective operations, in particular related to the Malian refugees in Mauritania, contributed to failure of the control environment, and gave rise to the risk of lowered donor partner confidence in WFP, suspension of funding to WFP operations in Mauritania by the European Commission and challenge to the control environment for Commission and US monies in Mauritania.

Policies, procedures and requirements:

The duties and responsibilities of Regional Directors and Country Directors; requirements for effective Performance Management and best practices in communications, partnerships, and working relationships; WFP's risk management process.

Recommendation 1: The Country Office should ensure appropriate levels of working relations, communications, and cooperation with UNHCR in Mauritania.

Recommendation 2: The Regional Bureau should put in place mechanisms to ensure effective communication and working relations between the Mauritania Country Office and the Dakar Regional Bureau.

Recommendation 3: The Country Office should ensure appropriate, proactive and early communication with key donors regarding its operations, including, if necessary and after elevation to the Regional Bureau, communication of risks.

Agreed Management Actions: Management agreed with the recommendations and:

Recommendation 1: The Country Office has begun to rebuild relationships between the new WFP and UNHCR Country Teams in Mauritania. This will continue.

Recommendation 2: The Regional Bureau has re-established effective communication between the Regional Bureau and the Country Office. This will be maintained.

Recommendation 3: The Country Office has started a more effective regime for communicating with donors. This will continue to be improved.

Target implementation date: Immediately.

Governance

Key observation

Observation 4 Legal frameworks between WFP and UNHCR

31. Coordination and cooperation between WFP and UNHCR in refugee camps is governed by a global umbrella agreement between the two organizations signed in January 2011. The umbrella agreement provides that, unless formally agreed, WFP's responsibility stops when UNHCR's implementing partner takes the food out of the Extended Distribution Point. However, experience has shown that, in reality, WFP's reputation is associated with the food right up to the point of the final beneficiary, and even after, in the event of diversions and inadequate impact.

32. In line with the requirements of the umbrella agreement, WFP signed a tripartite agreement with UNHCR and the implementing partner for food assistance in the Mbera camp in April 2012, at the time of the Country Office's initial response to the emergency. The 2012 tripartite agreement stated that food distributions were the direct responsibility of UNHCR and its implementing partner. It did not set out arrangements to extend WFP's responsibilities beyond the Extended Distribution Point.

33. In some sections, the tripartite agreement was more restrictive than the umbrella agreement. For example, documents regarding receipts and distributions were channelled through UNHCR to WFP, and not directly to WFP as per the umbrella agreement, and in terms of monitoring, the tripartite agreement foresaw a formal Joint Assessment Mission at the end of the contract, while the umbrella agreement foresaw more regular missions.

34. As WFP did not have direct control over the distribution mechanism, WFP was not able to push more strongly for a change in the way in which food was being distributed in the camps by UNHCR and their implementing partners. The Country Office raised concerns about the "heads of sector" implementation method, which negatively impacted on WFP's ability to monitor the distributions to beneficiaries. This method was changed to direct distribution to households in January 2013.

35. The 2013 tripartite agreement between WFP, UNHCR and the implementing partner, signed on 15 April 2013, includes strengthened provisions for the responsibilities of each party. It tightens the deadlines for receipt of reports, and includes a monthly requirement for a list of beneficiaries. However, opportunity for improvement remains. Between the expiry of the 2012 agreement on 31 December 2012, and the signing of the 2013 agreement on 15 April 2013, it appears that the operation proceeded without a legal agreement between WFP, UNHCR and the implementing partner. Furthermore, the Country Office provided fuel to the implementing partner that was not foreseen in the agreement.

Recommendation 4

Underlying cause of observation:

The 2012 tripartite agreement between WFP, UNHCR and the implementing partner did not introduce appropriate levels of control rights by WFP to mitigate the fact that WFP bears significant reputational risk and lacked an access and reporting structure for the Mbera camp, which would allow the operation to demonstrate that results are in line with WFP's mission and strategic objectives. While this has been partially remedied in the 2013 agreement, this agreement was concluded late, and opportunity for improvement remains.

Implication:

The Country Office was not able to have prompt first hand evidence of issues regarding distributions and the freedom to take the appropriate actions to address those risks. WFP operated under an agreement, which did not properly mitigate WFP's exposure to reputational risk. This was not recognized in time to address it, and materialized in the form of concerns

addressed by major donors. WFP appears to have operated without a legal framework from 1 January to 15 April 2013, which could bring legal risk.

Policies, procedures and requirements:

Best practice in ensuring management of reputational risk, and alignment between WFP's reputational risk and formal role and responsibilities in the 2011 umbrella agreement between UNHCR and WFP, and subsequent activity level agreements. Programme Manual.

Recommendation: The Country Office should renegotiate the tripartite agreement to enhance WFP's access in the camp, providing an adequate framework of access and reporting to allow the operations to demonstrate that they meet WFP's mission and objectives, and including all necessary clauses (for example to cover the provision of fuel if needed).

Agreed Management Actions: The Country Office agreed with the recommendation and:

- The Tripartite Agreement was renegotiated and an improved version was approved and signed. This included enhanced access and improved reporting. However, noting the recommendation for further improvements, these will be negotiated and included where possible in the next version of the agreement.

Target implementation date: 31 December 2013.

Human resources and administration Key observation

Observation 5 **Country Office management, oversight and organisational and reporting structure**

36. At the time of the inspection, the Mauritania Country Office was staffed by three international professional staff members, about 20 international consultants (a total of about 40 different consultants were hired during the inspection period, often for periods of one to three months), and approximately 90 national staff, most on short term contracts. The majority of key managerial positions in the Country Office were staffed by consultants.

37. **Reporting lines:** The organigrams prepared by the Country Office were high level and did not indicate within units who reported to whom. There was no Emergency Coordinator during most of the emergency, and at times, nine heads of unit reported directly to the Country Director.

38. **Staffing levels:** When operations increased significantly in 2012, the Country Director should have reviewed the staffing to put an effective structure in place. This was not done. The Country Office experienced difficulty in filling vacant posts, and the lack of sufficient and appropriately skilled staff has been raised during Sahel Task Force meetings since the beginning, and continues to be raised.

39. **Hiring of consultants:** The Country Office did not follow the applicable procedures in recruiting and hiring consultants.

40. **Continuity:** The Country Office's representation at UN Country Team and Humanitarian Country Team meetings changed frequently. UN partners informed the inspection that they found it difficult to know who to contact for certain issues, as different consultants would attend meetings within the UN community. There was no systematic process for handover when people left the Country Office, and in most cases no handover notes. No central filing systems were found in the units to enhance continuity through easy access to information.

41. **Failure of the control environment:** Weak management, lack of management oversight and non-compliance were noted in the key control areas of finance and accounting, programme cycle, and logistics.

42. **Delegation of authority:** The Country Office assigned consultants as officers in charge, but did not provide instructions as to what they were authorised to approve. Consultants took their own initiative which was tacitly approved by the Country Director through acceptance of reporting.

43. **Accountability:** All WFP Country Offices are required to fill out an assurance statement which provides important input to the Executive Director's Statement on Internal Control, published with the annual financial statements of WFP. The Mauritania Country Director signed the assurance statement for 2012 without completing a proper process and analysis. The statement contained significant errors and inaccuracies.

44. **Local committees:** Local committee meeting minutes were generally not available, and we were informed that, in general and with a few exceptions such as the Local Transport Committee, the local committees did not meet. The recommendations from those minutes were not always signed by the Country Director for approval. Despite the lack of local committee meetings, agreements were signed with implementing partners, and procurement actions were taken.

45. **Training:** There was no training plan in the Country Office, and the Office did not encourage or monitor training undertaken by staff.

Recommendation 5

Underlying cause of observation:

The management of the Country Office lacked proper organisation and reporting structures, and had weak managerial oversight over finance and accounting, programme, and logistics processes. There was weak understanding by the Country Director and staff of applicable policies and procedures and delegations of authorities was unclear. Lack of sufficient and appropriately skilled staff and lack of training. The Country Director did not undergo a consultative procedure for the 2012 assurance statement process in the office, nor did the Country Office complete the self-assessment checklists.

Implication:

Operational continuity was put at risk. Increased risk of non-compliance with WFP policies and procedures, and ultimately of fraud, is brought by lack of internal controls, ineffective or non-functional local committees, a lack of clarity on reporting lines, and key managerial roles filled by consultants. Managerial and operational oversight, which appeared to reside with the Country Director only, could not be effective in managing an operation of the size of the programme in Mauritania. The accuracy of the submitted assurance statement is in doubt, which may impact on the reliability of the Executive Director's statement on internal control. If the assurance statement process had been properly carried out, some weaknesses seen in this report could have been avoided or addressed earlier.

Policies, procedures and requirements:

Best practice in organisational and reporting structure. Best practice and HR guidelines in hiring consultants. WFP's framework for delegation of authority. Assurance statement process on WFPgo. WFP corporate procedures in finance and accounting, and logistics; transport manual; warehouse management manual; programme manual.

Recommendation: The Country Office should:

- put in place and document an effective organizational structure, including sufficient and appropriately skilled staffing, and file the necessary documentation in line with retention procedures.
- establish the Local Committees and make them operational, including the development of standard operating procedures for meetings and minutes.
- clarify, rectify as needed, and communicate delegations of authority.
- document the consultant selection and hiring process, in order to be able to demonstrate transparency and value for money.
- overhaul the logistics, finance and programme functions, put in place the right expertise and appropriate procedures, and implement at least the minimum corporate controls in the areas of logistics, programme and finance and accounting as noted in the inspection.
- undergo an internal interim assurance process, completing the self-assessment checklists and putting in place a plan to remedy any identified weaknesses, before the 2013 assurance process begins.

Agreed Management Actions: The Country Office agreed with the recommendation and has begun the process to:

- put in place and document an effective organizational structure.
- file documentation in line with retention procedures.
- review and update the local committees, make them operational and develop standard operating procedures for minutes and meetings.

- document the consultant selection and hiring process
- overhaul the logistics function.
- overhaul the programme procedures.
- overhaul the finance and accounting procedures.
- carry out an interim assurance process.
- remedy any identified weaknesses.

Target implementation date: 31 December 2013.

Programming

Key observation

Observation 6 Responsibilities for actual and forecast beneficiary numbers

46. Dealing with an emergency such as the Mali crisis, means a “double uncertainty” regarding beneficiary numbers: people in need in the camp and expected new arrivals.

47. The tripartite agreement gives direct responsibility for beneficiary numbers to UNHCR (“3.1 *The real number of beneficiaries of food aid will be decided based on criteria agreed jointly by UNHCR and WFP and the numbers will be updated by UNHCR.*”). During 2012, WFP used the “Level 1” beneficiary numbers given by UNHCR, and later replaced them with Level 2 numbers which became available at the end of 2012. The Level 2 numbers resulted from more accurate counting and screening of beneficiaries, and totalled almost half the Level 1 numbers.

48. Neither the global umbrella agreement between WFP and UNHCR nor the tripartite agreement formally address the issue of forecasting beneficiary numbers, a key figure for WFP in order to procure food with a certain time-lag. The only high level forecast of refugee numbers available and agreed by all key players is the yearly forecast as per the OCHA Consolidated Appeal at the start of each year.

Recommendation 6

Underlying cause of observation:

While responsibility for actual beneficiary numbers was clearly assigned to UNHCR, neither the umbrella agreement nor the tripartite agreement clarified roles and responsibilities for forecasts of beneficiary numbers.

Implication:

In the absence of clarity over who should forecast beneficiary numbers, WFP may not have the information needed to procure the right quantity of food on a timely basis. The lack of clarity on this matter also gave rise to friction between the Mauritania Country Office and the Regional Bureau during the drafting of the regional EMOP budget, subsequent revisions and extensions and general pipeline management.

Policies, procedures and requirements:

The umbrella agreement between WFP and UNHCR; the tripartite agreement between WFP, UNHCR and the implementing partner, and best practice in ensuring clarity on roles and responsibilities regarding scenario analysis of beneficiary numbers.

Recommendation: The Operations Services Department should ensure that roles and responsibilities between UNHCR and WFP, regarding forecasting of beneficiary numbers, are clarified in the tripartite agreement.

Agreed Management Actions: The Operations Services Department agreed with the recommendation and:

- Improved clarifications have been made in the April 15th version, but the Country Office will include further improvements if possible in the next renegotiation of the tripartite agreement (due by 31 December 2013).
- The Working Group that had been instituted to negotiate at technical level the model Field Level Agreement with NGO partners is currently reviewing the model Tripartite Agreement. In this context, due attention will be paid to the clarification of roles and responsibilities between UNHCR and WFP for the forecast of beneficiary numbers.

Target implementation date: 30 April 2014.

Programming

Key observation

Observation 7 Implementing partner's food losses

49. The Country Office signed an agreement with the implementing partner of UNHCR for the Mbera camp on 20 April 2012 whereby losses up to 2 percent under the responsibility of the implementing partner are exempted from reimbursement, while the tripartite agreement between WFP, UNHCR, and the implementing partner signed on 22 April 2012 by the Country Director states that the implementing partner will reimburse WFP for all losses. This agreement was signed by a consultant as officer-in-charge for the Country Director, in the name of WFP, and was not formally cancelled by the Country Office.

50. The Country Office initially provided two percent extra commodity to the implementing partner, over and above the calculated need for the beneficiaries, and this practice stopped in July 2012.

51. The loss history reported by the implementing partner shows losses between 0.7 and 1.9 percent of the food tonnage in every distribution report from April 2012 to January 2013, reported to be due to differences in weight. The total loss from April 2012 to January 2013 was almost 100 MT. Starting February 2013, the reported losses diminished to nil or 0.1 percent, and the total loss in the three reported months to April 2013 was approximately 2 MT. The Country Office informed us that the losses have not been recovered.

52. Under Financial Regulation 12.4, the Executive Director may, after full investigation, authorise the writing off of losses of cash, commodities and other assets.

Recommendation 7

Underlying cause of observation:

The Country Office did not implement the applicable clause of the tripartite agreement which states that the implementing partner will reimburse WFP for the quantity of food lost.

Implication:

In signing an agreement for non-reimbursement of losses up to 2 percent by the implementing partner, the Country Office effectively institutionalized a "commission" in the form of acceptable losses, which is not in accordance with WFP's procedures, the WFP Anti-Fraud and Anti-Corruption policy nor the highest standards of conduct required by the Standards of Conduct for the International Civil Service. WFP has not recovered losses, these losses remain inappropriately charged to the project.

Policies, procedures and requirements:

Tripartite agreement between WFP, UNHCR and the implementing partner, and Financial Regulation 12.4.

Recommendation: The Country Office, supported by the Regional Bureau, should, to the extent possible, review the losses reported by the implementing partner for the General Food Distribution in Mbera camp, and the two percent provided over requirements, and recover non-reimbursed losses as far as possible, then proceed with the necessary authorization for writing off any remaining losses, including determination of any individual responsibility for the losses.

Agreed Management Actions: The Country Office and the Regional Bureau agreed with the recommendation and will:

- review the loss history to the extent possible.
- review the amounts provided over requirements.
- negotiate with UNHCR and the implementing partner for recovery of losses.
- proceed with any necessary write-off process as appropriate.

Target implementation date: 31 December 2013.

Logistics

Key observation

Observation 8 Nema base

53. Special Operation 200424 covered the period from 1 June to 30 November 2012, with a budget of US\$ 5,009,671, for fleet, warehouse space, road rehabilitation, telecommunications, and the creation of a team of logistics experts. The Special Operation project document states that “to respond to the emergency situation in eastern Mauritania, WFP has set-up and staffed two logistics hubs in Nema and Bassikounou”. The document was approved following the applicable procedures. It should be noted that this Special Operation was delinked from the regional Special Operation, contributing to a stand-alone arrangement for the Country Office, which may have hindered Regional Bureau supervision.

54. The Regional EMOP, approved on 16 May 2012 as per the Project Review Committee website, states that “Sub-offices have been opened to serve refugee populations in areas where there was previously no WFP presence (e.g. in Nema, Mauritania)”.

55. Although the documents stated that the Nema base was already set up, only a warehouse of 590 m³ costing 150.000 MRO (about US\$ 500) a month was rented as per 22 April 2012, and the first rental agreement for office/housing space was as per 15 July 2012, which indicates that the actual sub-office was not yet in place at the time of approval of the EMOP, even though this was stated in the Regional EMOP document.

56. The principle of opening both the Bassikounou Sub Office and the Nema field office did not follow the applicable procedures, which requires approval by Headquarters through inclusion in an approved EMOP or PRRO, and informing of the Regional Bureau.

57. The Special Operation was not funded. Nevertheless, the Country Office proceeded to implement activities that had been foreseen under the Special Operation, inappropriately utilising funds from the two Emergency Operations to an estimated value of US\$ 1.2 million. Such activities included the construction of warehouse space and the fleet, as well as facilities for accommodation, meals and office space, furnished and ready for use. Its actual use has been a fraction of its capacity, even though some of the expenses made can be reused (such as wiikhalls, fleet, equipment, etc). The Country Office informed us that currently, they are in the process of progressively closing down the Nema base.

58. Review of documentation, approvals and transactions for the logistics base in Nema shows further anomalies related to procurement actions, exceeding the Country Director’s delegated authority; and inadequate tracking of non-food items in Nema.

59. The Bassikounou Sub-Office does not have the most basic living and working facilities for WFP staff, while excess facilities are available and unused at the Nema base. Some recommendations from a security assessment of Nema and Bassikounou, which was undertaken in October 2012, still need to be assessed for being balanced with programmatic needs and implemented.

Recommendation 8

Underlying cause of observation:

The Country Office provided incomplete and misleading information in the various documents and transactions for approval of the construction and security of the Nema base. The Country Director exceeded his delegation of authority. Headquarters was not involved in the construction. No documented assessment was done to justify the need for a logistics base in Nema. The Country Office did not comply with policies on opening of field-based offices.

Implication:

The Country Office constructed a logistics base without proper approval, exceeding its delegation of authority, for a cost of about US\$ 1.2 million, inappropriately charging projects which did not

have such costs in their budgets, and now has to close it down. Although certain assets can be re-used, significant resources were inappropriately used, while operations in Bassikounou were run with inadequate facilities, insufficient staff and pipeline breaks. This gave rise to fiduciary risk through inappropriate Country-level financing and reporting.

Policies, procedures and requirements:

WFP project approval process and delegation of authority.

Recommendation: The Regional Bureau should carry out a full and thorough review of the planning, approval, and implementation process for the Nema base, and determine all breaches of corporate procedure and delegation of authority, and report the outcome to the DED & COO for appropriate action including reallocation of financing to programmes.

Agreed Management Actions: The Regional Bureau agreed with the recommendation and will:

- review the process undertaken for the Nema base.
- determine all breaches of corporate procedure.
- report the outcome to the DED & COO for appropriate action.

Target implementation date: 31 December 2013.

Annex A – Inspection definitions

1. Definition and scope of inspections

A 1. An inspection undertaken by the Office of the Inspector General is a review of an organizational unit, a system, process or practice perceived to be of potential risk, outside the context of its audit plan or any specific allegation, with the objective of identifying possible improvements to systems and processes.

A 2. The scope of an inspection encompasses the provision of objective information to management about field offices, units in Headquarters and processes, in order to assist management in ensuring optimal use of resources and compliance with regulatory instruments and Executive Board decisions, to facilitate accountability and ensure effective monitoring systems, and to recommend actions to promote effectiveness, efficiency and integrity.

2. Recommendation tracking

A 3. The Office of Inspections and Investigations will track the recommendations to their conclusion and report to management and the Audit Committee on implementation.

Annex B – Acronyms

COMPAS	WFP’s Commodity tracking and recording system
ED	Executive Director
EMOP	Emergency Operation
IR-EMOP	Immediate Response Emergency Operation
UNCT	United Nations Country Team
UNHCR	Office of the United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
WFP	World Food Programme