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# COUNCIL

## Hundred and Sixty-first Session

Rome, 8-12 April 2019

### Amendments to the World Food Programme (WFP) General Rules

#### Executive Summary

Pursuant to Article VI 2.(b) (vi) of the WFP General Regulations and WFP General Rule XV.1, amendments to WFP General Rules have to be submitted for information to ECOSOC and to the FAO Council.

This document presents the amendments to WFP General Rules approved by the WFP Executive Board at its second regular sessions of 2017 and 2018.

#### Suggested action by the Council

The Council is invited to take note of these amendments to WFP General Rules.

*Queries on the substantive content of this document may be addressed to:*

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1. At its second regular session of 2016, the WFP Executive Board approved a suite of documents known as the Integrated Road Map (IRM), which aimed at ensuring that the Programme would have the adequate strategies, policies and operations in place in order to achieve the Sustainable Development Goals. The IRM included: the WFP Strategic Plan (2017-2021)<sup>1</sup>, the Policy on Country Strategic Plans<sup>2</sup>, the Financial Framework Review<sup>3</sup> and the Corporate Results Framework (2017-2021)<sup>4</sup>.
2. Since 2017, as part of the IRM, WFP designed and implemented a new framework for programming, budgeting and managing its activities and operations. This implementation required that some adjustments be made to the WFP General Rules, in order to align them with new programme categories and terminology. Such amendments were presented and approved by the WFP Executive Board at its second regular sessions of 2017 and 2018, respectively in documents WFP/EB.2/2017/4-A/1/Rev.1<sup>5</sup> and WFP/EB.2/2018/5-A/1<sup>6</sup>; the amendments and the IRM also caused the Board to approve certain flow-through revisions to the Financial Regulations at the second regular session of 2018. Prior to the submission to the Executive Board sessions, these documents were also considered by the FAO Finance Committee during its 168<sup>th</sup> and 172<sup>nd</sup> sessions.
3. Pursuant to Article VI 2.(b) (vi) of the WFP General Regulations and WFP General Rule XV.1 of the General Rules, the amendments to the General Rules, included at Annexes 1 and 2 hereof, are now being submitted for information to ECOSOC and to the FAO Council. Flow-through amendments to the Financial Regulations of WFP are also included for ease of reference at Annex 3.
4. The compiled updated document with the entire set of WFP Rules and Regulations is also available at the following link: <https://docs.wfp.org/api/documents/WFP-0000102455/download/>.

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<sup>1</sup> <https://docs.wfp.org/api/documents/WFP-0000037196/download/>

<sup>2</sup> <https://docs.wfp.org/api/documents/WFP-0000037168/download/>

<sup>3</sup> <https://docs.wfp.org/api/documents/WFP-0000037174/download/>

<sup>4</sup> <https://docs.wfp.org/api/documents/WFP-0000099356/download/>

<sup>5</sup> <https://docs.wfp.org/api/documents/WFP-0000050468/download/>

<sup>6</sup> <https://docs.wfp.org/api/documents/WFP-0000099355/download/>

## Annex 1

**Extract of Annex 2 of document “Update on the Integrated Road Map”  
([WFP/EB.2/2017/4-A/1/Rev.1](#)), presented at the 2017 second regular session of the  
WFP Executive Board**

The table below presents the proposed interim delegations of authority for countries operating within the IRM framework. They would be effective from 1 January 2018 to 29 February 2020.

Text	Commentary
The following are authorities delegated to the Executive Director by the Executive Board in accordance with Article VI.2 (c) of the WFP General Regulations.	Under Article VI.2 (c) of the WFP General Regulations, the Board is responsible for the approval of activities of WFP, but may delegate to the Executive Director such approval authorities as it may specify.
<p>A. Initial approval:</p> <ol style="list-style-type: none"> <li>1. Limited emergency operations and transitional interim country strategic plans (T-ICSPs), with the joint approval of the Executive Director and the FAO Director-General when the limited emergency operation or the emergency-related components of the T-ICSP exceed USD 50 million in value; and</li> <li>2. Country strategic plans (CSPs) and interim country strategic plans (ICSPs) funded entirely by a host country where the host country has not requested the Executive Board to approve the plan.</li> </ol>	<p>This provision lays out initial approvals that are delegated to the Executive Director.</p> <p>All approvals that are not specifically delegated to the Executive Director, with the FAO Director-General where applicable, are by implication retained by the Executive Board.</p> <p>The Board therefore retains the authority to approve CSPs and ICSPs, other than those funded entirely by a host country that has not referred them to the Board for approval, as such authorities have not been delegated to the Executive Director.</p>

Text	Commentary
<p>B. Approval of modifications:</p> <ol style="list-style-type: none"> <li>1. Revision of any limited emergency operation or emergency-related revision of a CSP, ICSP or T-ICSP, with the joint approval of the FAO Director-General for any increase exceeding USD 50 million.</li> <li>2. Upwards revision of one or more individual strategic outcome(s) of a CSP, ICSP or T-ICSP provided that the total amount of such revisions does not exceed 25 percent of the plan's latest Board-approved value – in the absence of such a value for T-ICSPs, the initial Executive Director-approved value – or USD 150 million.</li> <li>3. Downwards revision of any individual strategic outcome(s) of a CSP, ICSP or T-ICSP.</li> <li>4. Revision of non-emergency components of a T-ICSP following a limited emergency operation.</li> <li>5. Revision of a CSP, ICSP or strategic outcome funded entirely by the host country.</li> <li>6. Addition to a CSP, ICSP or T-ICSP of a strategic outcome funded entirely by a host country that has not requested the Executive Board to approve the strategic outcome.</li> <li>7. Revisions related to service provision activities.</li> </ol>	<p>This provision lays out approvals of modifications to the CSP framework that are delegated to the Executive Director, acting alone or jointly with the FAO Director-General.</p> <p>All approvals that are not specifically delegated to the Executive Director, with the FAO Director-General where applicable, are, by implication, retained by the Executive Board.</p> <p>Therefore, the Board retains the authority to approve:</p> <ol style="list-style-type: none"> <li>1. increases in the value of one or more strategic outcomes that exceed the specified thresholds; and</li> <li>2. the addition or removal of entire strategic outcomes from a CSP, ICSP or T-ICSP except in the case of strategic outcomes that relate only to emergency or service provision activities or are funded entirely by a host country that has not requested the Executive Board for approval, in which case the addition or removal falls under the Executive Director's general authority in those areas.</li> </ol> <p>The Secretariat will treat increases approved under the authority of the Executive Director cumulatively for the purposes of assessing the extent to which they modify the CSP, ICSP or T-ICSP, thereof, resetting the calculation to zero each time an approval is made by the Board. Emergency-related revisions will not be treated cumulatively.</p> <p>The approval of service provision activities is delegated to the Executive Director, consistent with the existing delegation of authority for special operations and for service provision activities approved under the Executive Director's authority to approve trust funds and special accounts.</p> <p>Revisions in respect of emergency or service provision activities, or Executive Director-approved strategic outcomes funded entirely by a host country, will not count towards the Board approval thresholds.</p>

## Annex 2

Extract of Annex 2 of document “Update on the Integrated Road Map” ([WFP/EB.2/2018/5-A/1](#)), presented at the 2018 second regular session of the WFP Executive Board

## AMENDMENTS TO THE WFP GENERAL RULES

<b>General Rules</b> <b>Current Text</b>	<b>General Rules</b> <b>Proposed Text</b>
<p><b>General Rule II.2: Programme categories</b></p> <p>In order to carry out the purposes of WFP, the Board establishes the following programme categories:</p> <p>(a) Development Programme Category, for food aid programmes and projects to support economic and social development. This programme category includes rehabilitation and disaster preparedness projects and technical assistance to help developing countries establish or improve their own food assistance programmes;</p> <p>(b) Emergency Relief Programme Category, for food assistance to meet emergency needs;</p> <p>(c) Protracted Relief Programme Category, for food assistance to meet protracted relief needs; and</p> <p>(d) Special Operations Programme Category for interventions undertaken to:</p> <p>(i) rehabilitate and enhance transport and logistics infrastructure to permit timely and efficient delivery of food assistance, especially to meet emergency and protracted relief needs; and</p> <p>(ii) enhance coordination within the United Nations system and with other partners through the provision of designated common services.</p>	<p><b>General Rule II.2: Programme categories</b></p> <p>In order to carry out the purposes of WFP, the Board establishes the following programme categories:</p> <p>(a) Country Strategic Plans include WFP’s entire portfolio of humanitarian and development activities in a country, prepared following a country-led sustainable development analysis;</p> <p>(b) Interim Country Strategic Plans include WFP’s entire portfolio of humanitarian and development activities in a country, prepared without a country-led sustainable development analysis;</p> <p>(c) Limited Emergency Operations include emergency relief in a country or countries where WFP does not have a country strategic plan or an interim country strategic plan; and</p> <p>(d) Transitional Interim Country Strategic Plans include WFP’s entire portfolio of humanitarian and development activities in a country, to be carried out between the end of a limited emergency operation and the start of a country strategic plan or interim country strategic plan.</p>
<p><b>General Rule VII.1: Responsibilities of the Executive Director for programmes, projects and other activities</b></p> <p>The Executive Director shall be responsible for assuring that programmes, projects and other activities to be implemented are sound, carefully planned and directed towards valid objectives, for assuring the mobilization of the necessary technical and administrative skills, and for assessing the ability of recipient countries to carry out these programmes, projects and other activities. The Executive Director shall be responsible for assuring the supply of commodities and acceptable services as agreed. The Executive Director shall make arrangements for the evaluation of country programmes, projects and other activities. The Executive Director shall have the responsibility to seek, in consultation with recipient governments, correction of any inadequacies in the operation of programmes, projects and other activities, and may withdraw assistance in the event essential corrections are not made.</p>	<p><b>General Rule VII.1: Responsibilities of the Executive Director for programmes, projects and other activities</b></p> <p>The Executive Director shall be responsible for assuring that programmes, projects and other activities to be implemented are sound, carefully planned and directed towards valid objectives, for assuring the mobilization of the necessary technical and administrative skills, and for assessing the ability of recipient countries to carry out these programmes, projects and other activities. The Executive Director shall be responsible for assuring the supply of commodities, cash, non-food items, and acceptable services as agreed. The Executive Director shall make arrangements for the evaluation of programmes, projects and other activities. The Executive Director shall have the responsibility to seek, in consultation with recipient governments, correction of any inadequacies in the operation of programmes, projects and other activities, and may withdraw assistance in the event essential corrections are not made.</p>

<p><b>General Rule X.1:</b> <b>Local assistance in project preparation</b></p> <p>In preparing requests for assistance under Article X of the General Regulations, governments desiring assistance from WFP should draw to the extent possible and necessary, on national and other locally available expertise, including that of the United Nations, FAO, WFP and other United Nations organizations. Requests shall normally be presented through the WFP Representatives, who shall keep the United Nations Resident Coordinators and, as appropriate, the representatives of other United Nations agencies fully informed.</p>	<p><b>General Rule X.1:</b> <b>Local assistance in programme preparation</b></p> <p>In preparing requests for assistance under Article X of the General Regulations, governments desiring assistance from WFP should draw to the extent possible and necessary, on national and other locally available expertise, including that of the United Nations, FAO, WFP and other United Nations organizations. Requests shall normally be presented through the WFP Representatives, who shall keep the United Nations Resident Coordinators and, as appropriate, the representatives of other United Nations agencies fully informed.</p>
<p><b>General Rule X.2:</b> <b>Country programmes for development assistance</b></p> <p>(a) Within the framework of the Strategic Plan, the Executive Director shall submit to the Board for review and approval multi-year country programmes to be undertaken by WFP that are integrated with the development plans and priorities of the recipient countries.</p> <p>(b) To facilitate the preparation of a country programme, WFP shall develop, in consultation with the government and with the collaboration of the United Nations, FAO and other relevant organizations a Country Strategy Outline (CSO). The CSO should establish clear linkages with the Country Strategy Note or with activities of the United Nations system as a whole, as appropriate, including wherever possible, joint programming.</p> <p>(c) The Executive Director shall seek the advice of the Board on Country Strategy Outlines and its approval for country programmes.</p> <p>(d) Approval by the Board of a country programme shall constitute a delegation to the Executive Director to approve projects and activities within that country programme as set out in the Appendix to these General Rules.</p>	<p><b>General Rule X.2:</b> <b>Development of programmes</b></p> <p>(a) WFP shall work with governments, employing country-led sustainable development analyses, where available, to assess needs and develop programmes, with the collaboration of the United Nations, FAO and other relevant organizations.</p> <p>(b) Programmes should integrate the humanitarian and development plans and priorities of recipient countries and establish clear linkages with relevant activities of the United Nations system, including, wherever possible, joint programming.</p> <p>(c) All programmes shall</p> <ol style="list-style-type: none"> <li>(i) define the type of assistance to be provided by WFP, the targeted beneficiaries, the geographic location of the assistance to be provided, and the expected results; and</li> <li>(ii) contain a country portfolio budget that encompasses all programme costs, organized in the following cost categories: <ol style="list-style-type: none"> <li>1. transfer costs, which correspond to the monetary value of the item, cash, or service provided, as well as the related delivery costs;</li> <li>2. implementation costs, which correspond to expenditures that are directly linked to specific activities within the programme, other than transfer costs;</li> <li>3. direct support costs, which correspond to country-level expenditures that are directly linked to the execution of the programme as a whole but cannot be attributed to a specific activity within it; and</li> <li>4. indirect support costs, which are costs that cannot be directly linked to the execution of the programme.</li> </ol> </li> </ol>
<p><b>General Rule X.7: Approval of requests</b></p> <p>(a) Proposals for development projects and projects for protracted relief operations shall be presented by the Executive Director to the Board for approval, except that the Executive Director may decide upon requests for projects within the limits of the Executive Director's delegated authority.</p> <p>(b) Requests for emergency assistance shall be approved in accordance with General Regulation X.6.</p>	<p><b>General Rule X.7: Approval of programmes</b></p> <p>(a) The Executive Director shall submit programmes to the Board for approval, or approve programmes as permitted by the delegations of authority set forth in the Appendix to these General Rules.</p> <p>(b) Requests for emergency assistance shall be approved in accordance with Article X.6 of the General Regulations.</p> <p>(c) The Executive Director shall be responsible for the execution of programmes after their approval.</p>

<p><b>General Rule X.8: Availability of resources</b></p> <p>The Executive Director shall ensure that development projects submitted to the Board for approval, and development projects and country programme activities approved under the Executive Director's delegated authority, can be implemented within estimated available resources. Resource availability shall take into account pledges and contributions expected for the current calendar year, as well as resources which can reasonably be expected to be contributed during the five subsequent calendar years, including resources which could be made available by the recipient government itself or by bilateral donors.</p>	<p><b>General Rule X.8: Availability of resources</b></p> <p>The Executive Director shall ensure that development activities submitted to the Board for approval, and development activities approved under the Executive Director's delegated authority, can be implemented within estimated available resources. Resource availability shall take into account pledges and contributions expected for the current calendar year, as well as resources which can reasonably be expected to be contributed during the development activity's execution period, including resources which could be made available by the recipient government itself or by bilateral donors.</p>
<p><b>General Rule XI.1:</b></p> <p><b>Matters to be included in food aid programme and project agreements</b></p> <p>In addition to other terms and conditions upon which the proposed activities are to be carried out in connection with an approved programme or project, the agreements shall indicate aid to be provided by other agencies or institutions, the terms of delivery of commodities, the obligations of the government with respect to the utilization of the commodities supplied, including the use and control of any local currencies generated from their sale, and with respect to the arrangements made for their storage, internal transportation and distribution; the responsibility of the government for all expenses incurred from the point of delivery, including the cost of import duties, taxes, levies, dues and wharfage; and such other relevant terms and conditions as may be mutually agreed upon as necessary for the execution and subsequent evaluation of the programme or project. Such agreements shall safeguard WFP's right to monitor all phases of programme and project operations from the receipt of commodities in the country to final utilization; provide for audits as necessary; and allow WFP to suspend or withdraw assistance in case of serious non-compliance. They shall also provide for the collection of data on the food distribution and its effects on the improvement of the nutritional status of the beneficiaries and the economic and social development of the country on a longer-term basis; for the maintenance of complete records, including transport and storage documents, concerning the utilization of assistance from WFP; and for the communication of such records to WFP upon request.</p>	<p><b>General Rule XI.1:</b></p> <p><b>Matters to be included in assistance agreements</b></p> <p>In addition to other terms and conditions upon which the proposed activities are to be carried out in connection with an approved programme, the agreements shall indicate assistance to be provided by other agencies or institutions, the terms of delivery of commodities, the obligations of the government with respect to the utilization of the commodities supplied, including the use and control of any local currencies generated from their sale, and with respect to the arrangements made for their storage, internal transportation and distribution; the responsibility of the government for all expenses incurred from the point of delivery, including the cost of import duties, taxes, levies, dues and wharfage; and such other relevant terms and conditions as may be mutually agreed upon as necessary for the execution and subsequent evaluation of the programme. Such agreements shall safeguard WFP's right to monitor all phases of programmes from the receipt of commodities in the country to final utilization; provide for audits as necessary; and allow WFP to suspend or withdraw assistance in case of serious non-compliance. They shall also provide for the collection of data on the food distribution and its effects on the improvement of the nutritional status of the beneficiaries and the economic and social development of the country on a longer-term basis; for the maintenance of complete records, including transport and storage documents, concerning the utilization of assistance from WFP; and for the communication of such records to WFP upon request.</p>
<p><b>General Rule XIII.1: Contributions</b></p> <p>Contributions may be:</p> <ul style="list-style-type: none"> <li>(a) pledged at conferences convened jointly by the Secretary-General and the Director-General and shall aim at such target and for such pledging periods as may from time to time be set by the Board;</li> <li>(b) announced during periodic resource consultations;</li> <li>(c) committed on an ad hoc basis by donor governments and bilateral institutions;</li> <li>(d) made in response to appeals;</li> <li>(e) through other fund-raising activities, including in the private sector; and</li> <li>(f) made in any other manner as may be determined by the General Assembly of the United Nations and the FAO Conference.</li> </ul>	<p><b>General Rule XIII.1: Contributions</b></p> <p>Contributions may be:</p> <ul style="list-style-type: none"> <li>(a) pledged at conferences convened jointly by the Secretary-General and the Director-General and shall aim at such target and for such pledging periods as may from time to time be set by the Board;</li> <li>(b) announced during periodic resource consultations;</li> <li>(c) committed on an ad hoc basis by governments and bilateral institutions;</li> <li>(d) made in response to appeals;</li> <li>(e) through other fund-raising activities, including in the private sector; and</li> <li>(f) made in any other manner as may be determined by the General Assembly of the United Nations and the FAO Conference.</li> </ul>

<p><b>General Rule XIII.2:</b> <b>Specification of contributions</b></p> <p>Contributions for the purposes of WFP as set out in Article II of the General Regulations may be made without restriction as to use or for one or more of the following:</p> <ul style="list-style-type: none"> <li>(a) programme categories;</li> <li>(b) specific country programmes, projects or activities within programme categories; or</li> <li>(c) such other activities as the Board may decide from time to time.</li> </ul>	<p><b>General Rule XIII.2:</b> <b>Specification of contributions</b></p> <p>Contributions for the purposes of WFP as set out in Article II of the General Regulations may be made without restriction as to use or for specifically identified programmes or activities.</p>
<p><b>General Rule XIII.4: Types of contributions</b></p> <p>In accordance with General Regulation XIII.2, the following shall apply to the various types of contributions to WFP:</p> <ul style="list-style-type: none"> <li>(a) Donors contributing food commodities or cash designated for food purchases shall provide sufficient cash, acceptable services, or acceptable non-food items to cover the full operational and support costs related to their commodity contribution, using the following criteria for the calculation of operational and support costs: <ul style="list-style-type: none"> <li>(i) commodities: to be valued in accordance with General Rule XIII.6;</li> <li>(ii) external transport: actual cost;</li> <li>(iii) landside transport, storage and handling (LTSH): average per ton rate for the project;</li> <li>(iv) other direct operational costs: average per ton rate applicable to the food component of the project;</li> <li>(v) direct support costs: percentage of the direct operational costs of the project; and</li> <li>(vi) indirect support costs: percentage of direct costs of the project, including direct operational costs and direct support costs, as determined by the Board.</li> </ul> </li> <li>(b) Donors contributing cash designated for activities that do not include food distribution shall provide sufficient cash to cover the full operational and support costs related to their contribution, using the following criteria for the calculation of operational and support costs: <ul style="list-style-type: none"> <li>(i) direct operational costs: actual costs;</li> <li>(ii) direct support costs: percentage of the direct operational costs of the project; and</li> <li>(iii) indirect support costs: percentage of direct costs of the project, including direct operational costs and direct support costs, as determined by the Board.</li> </ul> </li> <li>(c) Donors contributing acceptable non-food items not directly associated with other contributions shall provide sufficient cash or acceptable services to cover the full operational and support costs related to their contribution.</li> <li>(d) Donors contributing acceptable services not directly associated with other contributions shall provide sufficient cash or other acceptable resources to cover the full operational and support costs related to their contribution.</li> <li>(e) Donors providing cash contributions which are not designated in any way or are designated to the Immediate Response Account (IRA) or to Programme Support and Administrative (PSA) or related activities shall not be required to provide additional cash or services to</li> </ul>	<p><b>General Rule XIII.4: Contributions</b></p> <p>In accordance with Article XIII.2 of the General Regulations, the following shall apply to contributions to WFP:</p> <ul style="list-style-type: none"> <li>(a) Unless otherwise regulated in these General Rules, all donors shall provide contributions on a “full cost recovery” basis, that ensures recovery by WFP of all of the costs of the activities financed by the contribution, employing the following cost categories, as defined at General Rule X.2, and calculation criteria: <ul style="list-style-type: none"> <li>(i) transfer and implementation costs, which shall be calculated based on estimated cost;</li> <li>(ii) direct support costs, which shall be calculated based on country-specific percentages of the transfer and implementation costs; and</li> <li>(iii) indirect support costs, which shall be calculated based on percentages, determined by the Board, of transfer and implementation costs, and direct support costs.</li> </ul> </li> <li>(b) Donors providing cash contributions which are not designated in any way or are designated to the Immediate Response Account (IRA) or the Operational Reserve, or contributions to Programme Support and Administrative (PSA) and related activities shall not be required to provide additional cash or services to meet full cost recovery in respect of their contributions, provided that such contributions do not result in any additional reporting burden to the Programme.</li> </ul>

<p>cover the full operational and support costs related to their contribution, provided that such contributions do not result in any additional reporting burden to the Programme.</p> <p>(f) Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board, may make contributions of commodities or services only, provided that:</p> <p>(i) the full operational and support costs are covered by another donor or donors, by the monetization of part of the contribution and/or by resort to the WFP Fund;</p> <p>(ii) such contributions are in the interests of the Programme and do not result in any disproportionate administrative or reporting burden to the Programme; and</p> <p>(iii) the Executive Director considers that accepting the contribution is in the interests of the beneficiaries of the Programme.</p> <p>(g) Exceptionally, the Executive Director may reduce or waive indirect support costs in respect of any contribution in kind to cover direct support costs of an activity or activities where the Executive Director determines that such reduction or waiver is in the best interests of the beneficiaries of the Programme, provided that:</p> <p>(i) such contributions do not result in any additional administrative or reporting burden on the Programme; and</p> <p>(ii) in the case of a waiver, the indirect support costs otherwise applicable have been determined by the Executive Director to be insignificant.</p> <p>(h) Contributions under paragraph (f) and reductions or waivers under paragraph (g) above shall be reported to the Executive Board at its Annual Session.</p>	<p>(c) Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board, may make contributions that do not achieve full cost recovery, provided that:</p> <p>(i) the full operational and support costs are covered through contributions by another donor or donors, through the monetization of part of the contribution and/or through resort to the WFP Fund;</p> <p>(ii) such contributions are in the interests of the Programme and do not result in any disproportionate administrative or reporting burden to the Programme; and</p> <p>(iii) the Executive Director considers that accepting the contribution is in the interests of the beneficiaries of the Programme.</p> <p>(d) Exceptionally, the Executive Director may reduce or waive indirect support costs and, where applicable, direct support costs in respect of contributions as shall be determined by the Board, where the Executive Director determines that such reduction or waiver is in the best interests of the beneficiaries of the Programme, provided that:</p> <p>(i) such contributions do not result in any additional administrative or reporting burden on the Programme; and</p> <p>(ii) in the case of a waiver, the costs otherwise applicable have been determined by the Executive Director to be insignificant.</p> <p>(e) The Board shall set the indirect support cost rate applicable to contributions from governments of developing countries and countries with economies in transition, as determined by the Board.</p> <p>(f) Contributions made under paragraphs (c) and (e) above and reductions or waivers granted under paragraph (d), above shall be reported to the Executive Board at its Annual Session.</p>
<p><b>General Rule XIII.6:</b>  <b>Valuation of commodity pledges and services</b></p> <p>In respect of commodity contributions, in whole or in part, these shall be recorded at the time when the commodity contributions are confirmed to WFP at fair value. Indicators of fair value include <i>inter alia</i> world market prices, the Food Aid Convention (FAC) price and the donor's invoice price. Contributions of acceptable non-food items and services shall be valued at fair value either based on world market prices or, where the service is of a local character, at the price contracted for by the Executive Director. Contributions in personnel services shall be valued at WFP's standard cost when these reflect fair value.</p>	<p><b>General Rule XIII.6:</b>  <b>Valuation of commodity pledges and services</b></p> <p>In respect of commodity contributions, in whole or in part, these shall be recorded at the time when the commodity contributions are confirmed to WFP at fair value. Indicators of fair value include <i>inter alia</i> world market prices, the Food Assistance Convention (FAC) price and the donor's invoice price. Contributions of acceptable non-food items and services shall be valued at fair value either based on world market prices or, where the service is of a local character, at the price contracted for by the Executive Director. Contributions in personnel services shall be valued at WFP's standard cost when these reflect fair value.</p>

## Annex 3

Extract of Annex 2 of document “Update on the Integrated Road Map” ([WFP/EB.2/2018/5-A/1](#)), presented at the 2018 second regular session of the WFP Executive Board

### AMENDMENTS TO THE WFP FINANCIAL REGULATIONS

<b>Financial Regulations</b> <b>Current text</b> <i>(Note: blank entries in this column mean that there is currently no provision in place and that a new provision is proposed in the Financial Regulation Proposed Text column)</i>	<b>Financial Regulations</b> <b>Proposed text</b> <i>(Note: blank entries in this column mean that the provision set forth in the Financial Regulation Current Text column has been deleted)</i>
	<b>Assistance agreement</b> shall mean a document, however designated, executed in accordance with the provisions of Article XI of the General Regulations.
<b>Biennium</b> shall mean two Financial periods starting on 1 January of each even-numbered year.	
<b>Broad-based appeal</b> shall mean an appeal made by WFP or by WFP jointly with other programmes, funds or agencies for a regional project or for a number of separate country programmes, projects, or activities.	<b>Broad-based appeal</b> shall mean an appeal made by WFP or by WFP jointly with other programmes, funds or agencies for a regional project or for a number of separate programmes, projects, or activities.
	<b>Country portfolio budget</b> shall mean the budget of a programme.
<b>Country programme</b> shall mean a country programme approved by the Board in accordance with General Regulation VI.2 (c).	
<b>Directed Multilateral Contribution</b> shall mean a contribution, other than a response to an appeal made by WFP for a specific emergency operation, which a donor requests WFP to direct to a specific activity or activities initiated by WFP or to a specific country programme or country programmes.	<b>Directed multilateral contribution</b> shall mean a contribution, other than a response to an appeal made by WFP for a specific emergency operation, which a donor requests WFP to direct to a specific activity or activities initiated by WFP or to a specific programme or programmes.
<b>Direct support cost</b> shall mean a cost which can be directly linked with the provision of support to an operation and which would not be incurred should that activity cease.	<b>Direct support cost</b> shall mean a cost which corresponds to country-level expenditures that are directly linked to the execution of the programme as a whole but cannot be attributed to a specific activity within it.
<b>Full-cost recovery</b> shall mean the recovery of operational costs, direct support costs and indirect support costs in full.	<b>Full cost recovery</b> shall mean the recovery of all of the costs of the activities financed by a contribution or service provision payment.

<b>General Fund</b> shall mean the accounting entity established for recording, under separate accounts, indirect support cost recoveries, miscellaneous income, operational reserve and contributions received which are not designated to a specific programme category, project or a bilateral project.	<b>General Fund</b> shall mean the accounting entity established for recording, under separate accounts, indirect support cost recoveries, miscellaneous income, operational reserve and contributions received which are not designated to a specific programme category fund, trust fund, or special account.
	<b>Implementation cost</b> shall mean a cost which corresponds to expenditures that are directly linked to specific activities within the programme, other than transfer costs.
<b>Indirect support cost</b> shall mean a cost which supports the execution of projects and activities but cannot be directly linked with their implementation.	<b>Indirect support cost</b> shall mean a cost which cannot be directly linked to the execution of a programme or activity.
<b>Multilateral contribution</b> shall mean a contribution, for which WFP determines the country programme or WFP activities in which the contribution will be used and how it will be used, or a contribution made in response to a broad-based appeal for which WFP determines, within the scope of the broad-based appeal, the country programme or WFP activities in which the contribution will be used and how it will be used, and for which the donor will accept reports submitted to the Board as sufficient to meet the requirements of the donor.	<b>Multilateral contribution</b> shall mean a contribution, for which WFP determines the programme or WFP activities in which the contribution will be used and how it will be used, or a contribution made in response to a broad-based appeal for which WFP determines, within the scope of the broad-based appeal, the programme or WFP activities in which the contribution will be used and how it will be used, and for which the donor will accept reports submitted to the Board as sufficient to meet the requirements of the donor.
<b>Operational costs</b> shall mean any costs, other than direct support costs or indirect support costs, of WFP projects and activities.	<b>Operational costs</b> shall mean transfer costs and implementation costs of a programme.
	<b>Programme</b> shall mean a programme approved in accordance with Article VI.2(c) of the General Regulations.
<b>Project agreement</b> shall mean a document, howsoever designated, executed in accordance with the provisions of General Regulation XI.	
	<b>Service provision</b> shall mean the provision of services consistent with the purposes, policies and activities of WFP to a party in exchange for payment.
	<b>Support costs</b> shall mean the indirect support costs and direct support costs of a programme.
	<b>Transfer cost</b> shall mean a cost which corresponds to the monetary value of the item, cash, or service provided, as well as the related delivery costs.
<b>WFP Budget</b> shall mean the annual budget component of the Management Plan approved each year by the Board indicating estimated resources and expenditures for programmes, projects and activities and shall include a Programme Support and Administrative budget.	<b>WFP Budget</b> shall mean the annual budget component of the Management Plan approved each year by the Board indicating estimated resources and expenditures for programmes and activities and shall include a Programme Support and Administrative budget.
<b>IV: Resources</b> <b>Financial Regulation 4.1:</b> The resources of WFP shall consist of: (a) contributions made pursuant to Article XIII of the General Regulations; (b) miscellaneous income, including interest on investments; and (c) contributions received in trust as set forth in Financial Regulation V.	<b>IV: Resources</b> <b>Financial Regulation 4.1:</b> The resources of WFP shall consist of: (a) contributions made pursuant to Article XIII of the General Regulations; (b) miscellaneous income, including interest on investments; (c) contributions received in trust as set forth in Financial Regulation V; and (d) payments received for service provision in accordance with Financial Regulation 4.8.
<b>Financial Regulation 4.6:</b> The Executive Director, under guidelines established by the Board and in consultation with the donor and the recipient country, may approve the sale of commodities for cash if in the Executive Director's opinion such cash will contribute more	<b>Financial Regulation 4.6:</b> The Executive Director, under guidelines established by the Board and in consultation with the donor and the recipient country, may approve the sale of commodities for cash if in the Executive Director's opinion such cash will contribute more

effectively to the objectives of the country programmes, projects or activities in question. The responsibility of managing the generated financial resources will rest with the holder of the title of commodities at the time of sale. The Executive Director shall retain in all circumstances responsibility for monitoring the management of resources so generated through audit requirements or other measures. When the Executive Director determines that it is in the best interest of the project or activity for WFP to manage the generated financial resources belonging to the recipient government, WFP will enter into a trust fund arrangement with the government. The delineation of the respective responsibilities of WFP, the donor, and the recipient government in the management of such trust fund shall be in accordance with the guidelines established by the Board.	effectively to the objectives of the programmes, projects or activities in question. The responsibility of managing the generated financial resources will rest with the holder of the title of commodities at the time of sale. The Executive Director shall retain in all circumstances responsibility for monitoring the management of resources so generated through audit requirements or other measures. When the Executive Director determines that it is in the best interest of the programme, project or activity for WFP to manage the generated financial resources belonging to the recipient government, WFP will enter into an arrangement with the government with regard to the management of such funds. The delineation of the respective responsibilities of WFP, the donor, and the recipient government in the management of such funds shall be in accordance with the guidelines established by the Board.
	<b>Financial Regulation 4.8:</b> The Executive Director may approve service provision activities. These activities shall be provided on a full cost recovery basis, as determined by the Executive Director.
<b>V: Trust funds and special accounts</b> <b>Financial Regulation 5.1:</b> Trust funds and special accounts may be established by the Executive Director for specified purposes consistent with the policies, aims and activities of WFP. The Executive Director shall report all such trust funds or special accounts to the Board.	<b>V: Trust funds and special accounts</b> <b>Financial Regulation 5.1:</b> Trust funds and special accounts to fund the expenses of activities directly overseen at headquarters or regional bureaux may be established by the Executive Director, provided that they are consistent with the purposes and policies of WFP. The Executive Director shall report all such trust funds or special accounts to the Board.
<b>Financial Regulation 5.2:</b> The purpose and limits of each trust fund and special account shall be clearly defined and contributions thereto shall be on a full cost recovery basis.	<b>Financial Regulation 5.2:</b> The purpose and limits of each trust fund and special account shall be clearly defined and their funding shall be provided on a full cost recovery basis, as determined by the Executive Director.
<b>VI: Approvals of country programmes and projects</b> <b>Financial Regulation 6.1:</b> To provide for continuity in the programming and implementation of WFP assistance to country programmes and projects, approvals for the purposes of the proposed utilization of resources and of the entering into commitments in respect of activities shall remain valid for the duration of each country programme or Project.	<b>VI: Approvals of programmes</b> <b>Financial Regulation 6.1:</b> To provide for continuity in the programming and implementation of WFP assistance to programmes and projects, approvals for the purposes of the proposed utilization of resources and of the entering into commitments in respect of activities shall remain valid for the duration of each programme.
<b>VIII: Country programmes and projects</b> <b>Financial Regulation 8.1:</b> Approval of a country programme, project or operation shall normally constitute authority for the Executive Director to issue allotments, incur obligations and expend resources for the country programme, project or operation, subject to signature of the country programme, project or operation agreement. However, the Executive Director may incur obligations and expend resources during project preparation, if necessary, to fill the food pipeline for the project for the first three months, not exceeding one quarter of total funding requirements.	<b>VIII: Programmes</b> <b>Financial Regulation 8.1:</b> Approval of a programme shall normally constitute authority for the Executive Director to issue allotments, incur obligations and expend resources for the programme in accordance with the country portfolio budget, subject to signature of an assistance agreement. However, the Executive Director may incur obligations and expend resources during programme preparation, if necessary, to fill the food pipeline for the programme for the first three months, not exceeding one quarter of total funding requirements.
<b>Financial Regulation 10.2:</b> All contributions to WFP shall be credited to the relevant programme category fund, trust fund, General Fund or special account and all expenditures shall be charged to the relevant fund.	<b>Financial Regulation 10.2:</b> All resources received by WFP shall be credited to the relevant programme category fund, trust fund, General Fund or special account and all expenditures shall be charged to the relevant fund.

<p><b>Financial Regulation 10.3:</b> All contributions will be classified as multilateral, directed multilateral, or bilateral. The Executive Director may accept bilateral contributions only if they are for activities consistent with the objectives and policies of WFP's mission statement and compatible with assistance provided by WFP in the recipient country. The Executive Director shall report all contributions to the Board.</p>	<p><b>Financial Regulation 10.3:</b> All contributions will be classified as multilateral, directed multilateral, or bilateral. The Executive Director may accept bilateral contributions only if they are for activities consistent with the objectives and policies of WFP's mission statement. The Executive Director may receive payment for service provision activities in accordance with Financial Regulation 4.8. The Executive Director shall report all resources received to the Board.</p>
<p><b>Financial Regulation 10.4:</b> In respect of each bilateral contribution accepted under Regulation 10.3 of these Regulations, the Executive Director shall establish a trust fund.</p>	<p><b>Financial Regulation 10.4:</b> In respect of each bilateral contribution accepted under Regulation 10.3 of these Regulations that concerns activities directly overseen at headquarters or a regional bureau, the Executive Director shall establish a trust fund.</p>
<p><b>Financial Regulation 10.9:</b> All income other than contributions received shall be classified as miscellaneous income, subject to the provisions of Financial Regulation 11.3 below.</p>	<p><b>Financial Regulation 10.9:</b> All income other than contributions received and payment received in return for service provision shall be classified as miscellaneous income, subject to the provisions of Financial Regulation 11.3 below.</p>
<p><b>Financial Regulation 11.3:</b> Income from investments shall be credited, where applicable, to the related special account, and in all other cases to the General Fund as miscellaneous income. Unless otherwise specified by the contributor, interest accrued on donor funds administered by WFP for bilateral services shall be credited to the IRA.</p>	<p><b>Financial Regulation 11.3:</b> Income from investments shall be credited, where applicable, to the related special account, and in all other cases to the General Fund as miscellaneous income. Unless otherwise specified by the contributor, interest accrued on donor funds administered by WFP through trust funds for bilateral contributions shall be credited to the IRA.</p>