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REPORT OF THE EXECUTIVE DIRECTOR ON THE UTILIZATION OF CONTRIBUTIONS AND WAIVERS OF COSTS (GENERAL RULES XII.4 AND XIII.4 (g))

* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for information.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

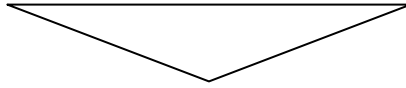
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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms. C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Finance Division



DRAFT DECISION*



The Board takes note of “Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rules XII.4 and XIII.4 (g))” (WFP/EB.A/2006/6-J/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations (document WFP/EB.A/2006/16) issued at the end of the session.



INTRODUCTION

- Information is provided to the Board in accordance with General Rules XII.4 and XIII.4 (g) on: (i) the use of unrestricted cash resources to purchase commodities (General Rule XII.4); (ii) contributions of commodities or services only from governments of developing countries, countries with economies in transition and other non-traditional donors (General Rule XIII.4 (e)); and (iii) waivers of ISC for contributions in-kind to cover direct support costs (DSC) (General Rule XIII.4 (f)).

Use of Unrestricted Cash Resources to Purchase Commodities (General Rule XII.4)

- For the purpose of this report, multilateral contributions of cash for the development programme (DEV) category have been considered as unrestricted cash resources, even though these resources may be used in some instances to purchase commodities in the donor country. The resources have been utilized to meet annual requested/allocated commitments under DEVs.
- In 2005, US\$94.7 million (2004: US\$73.6 million) unrestricted cash was available, of which US\$40.2 million (2004: US\$38.3 million), or 42.4 percent (2004: 52.9 percent), was utilized to purchase commodities from developing countries and US\$ 54.5 million (2004: US\$34.7 million), or 57.6 percent (2004: 47.1 percent), for purchases from developed countries. Details are shown in Table 1.
- Further information on purchases of commodities from developing countries from all cash resources and under all programme categories is included in the Annual Performance Report (APR).

Purchased from	Developing countries	Developed countries
Argentina	531 442	
Belgium		1 772 516
Belize	118 068	
Benin	66 769	
Bhutan	75 052	
Bolivia	187 157	
Brazil	7 140	
Bulgaria		1 010 954
Burkina Faso	1 531 950	
Cambodia	264 039	
Cameroon	706 621	
Canada		17 076 811
Central African Republic	97 567	
China	312 496	
Cuba	1 458 782	



TABLE 1: REPORT ON THE USE OF UNRESTRICTED CASH RESOURCES IN 2005 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 (US\$)		
Purchased from	Developing countries	Developed countries
Denmark		20 817 041
Dominican Republic	34 241	
Egypt	510 847	
El Salvador	464	
Ethiopia	1 009 167	
France		300 465
Ghana	51 900	
Guatemala	263 447	
India	10 696 376	
Italy		1 551 721
Japan		4 216 057
Jordan	169 009	
Kenya	54 739	
Lao, PDR	54 756	
Lesotho	283 284	
Malawi	1 299 416	
Malaysia	328 036	
Mali	532 773	
Mozambique	11 316	
Namibia	27 499	
Nepal	3 232 167	
Netherlands		1 130 014
Nicaragua	271 402	
Niger	1 339 841	
Nigeria	913 289	
Pakistan	1 473 505	
Peru	260 456	
Russian Federation		994 091
Rwanda	774 122	
Senegal	566 719	
Singapore	82 023	
South Africa	1 600 859	
Sudan	22 928	
Syria	260 150	
Tanzania	1 197 368	
Thailand	783 838	
Turkey		4 118 937
Uganda	2 642 988	



TABLE 1: REPORT ON THE USE OF UNRESTRICTED CASH RESOURCES IN 2005 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 (US\$)		
Purchased from	Developing countries	Developed countries
Ukraine		360 882
USA		1 199 023
Vietnam	1 307 282	
Yemen	461 448	
Zambia	2 318 772	
Total	40 193 509	54 548 512
GRAND TOTAL		94 742 021
Percentage	42.4	57.6

Contributions for Commodities or Services (General Rule XIII.4(e))

5. In 2005, the value of contributions of commodities or services only that were received from governments of developing countries, countries with economies in transition and other non-traditional donors under General Rule XIII.4 (e) was US\$52,780,019. Cash contributions of US\$38,702,438 from other donors and US\$3,506,874 from WFP's resources were utilized in support of the contributions. US\$1,137,845 of indirect support costs (ISC) was waived on contributions, as shown in Table 2.

TABLE 2: CONTRIBUTIONS MADE IN 2005 UNDER GENERAL RULE XIII.4 (e) (in US\$)				
Donor	Value	Other costs covered by		
		Other donors	WFP*	ISC Waived
Algeria	14 128 812	10 638 803	904 544	254 763
Azerbaijan	811 721		173 355	56 820
Bangladesh	14 347 312	13 277 513		
Cuba	864 225		589 996	
Eritrea	102 750	214 690		7 193
India	7 017 091	4 726 303		160 887
Kenya	14 310 800	9 523 814	1 384 066	560 000
Nigeria	48 000	14 400	45 206	2 184
Senegal	34 000		14 154	2 380
Syria	285 308		217 433	19 972
Thailand	230 000		178 120	16 100
United Arab Emirates **	600 000	306 914		57 546
Total	52 780 019	38 702 438	3 506 874	1 137 845
Total (2004)	15 823 672	2 778 550	6 474 720	1 119 939

* The Emerging Donor Matching Fund (EDMF) provided finance for the associated costs of these contributions.

** Other costs were provided by the United Arab Emirates, the donors.



Waivers of ISC for In-Kind DSC (General Rule XIII.4 (f))

6. The total value of waivers of ISC granted on US\$21,987,331 of contributions made in kind for DSC amounted to US\$1,539,113 for 2005. Table 3 provides the details by donor, recipient country, value and ISC waiver.

TABLE 3: WAIVERS OF INDIRECT SUPPORTS COSTS IN 2005 IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) (in US\$)				
Donor	Recipient	Contribution	Value	ISC Waived
Denmark	Asia Regional	In-Kind Staff	452 967	31 708
Denmark	Bhutan	In-Kind Staff	43 856	3 070
Denmark	Chad	In-Kind Staff	89 582	6 271
Denmark	East Timor	In-Kind Staff	62 046	4 343
Denmark	Eritrea	In-Kind Staff	50 960	3 567
Denmark	Niger	In-Kind Staff	95 183	6 663
Denmark	Pakistan	In-Kind Services	1 233 028	86 312
Denmark	Sudan	In-Kind Staff	442 129	30 949
Denmark	Headquarters	In-Kind Staff	155 020	10 851
Denmark	West Africa Regional	In-Kind Staff	3 145	220
Malaysia	Tsunami operation	In-Kind Services	429 781	30 085
Norway	Asia Regional	In-Kind Staff	628 837	44 019
Norway	Central Africa Regional	In-Kind Staff	184 271	12 899
Norway	Chad	In-Kind Staff	215 211	15 065
Norway	Nepal	In-Kind Staff	188 340	13 184
Norway	Pakistan	In-Kind Services	2 821 755	197 523
Norway	Sudan	In-Kind Staff	477 650	33 436
Norway	West Africa Regional	In-Kind Staff	340 341	23 824
Private Donor – RedR Australia	Asia Regional	In-Kind Staff	138 408	9 689
Private Donor – RedR Australia	Bhutan	In-Kind Staff	19 032	1 332
Private Donor – RedR Australia	Myanmar	In-Kind Staff	20 640	1 445
Private Donor – RedR Australia	Pakistan	In-Kind Staff	74 298	5 201
Sweden	Asia Regional	In-Kind Staff	554 205	38 794
Sweden	Chad	In-Kind Staff	76 367	5 346
Sweden	Niger	In-Kind Staff	72 243	5 057
Sweden	Pakistan	In-Kind Services	2 028 222	141 976
Sweden	Sudan	In-Kind Staff	1 052 948	73 706
Sweden	West Africa Regional	In-Kind Staff	312 604	21 882
Switzerland	Angola	In-Kind Staff	152 699	10 689
Switzerland	Asia Regional	In-Kind Staff	13 744	962
Switzerland	Bangladesh	In-Kind Staff	33 036	2 313



TABLE 3: WAIVERS OF INDIRECT SUPPORTS COSTS IN 2005 IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) (in US\$)

Donor	Recipient	Contribution	Value	ISC Waived
Switzerland	Chad	In-Kind Staff	12 831	898
Switzerland	Georgia	In-Kind Staff	19 497	1 365
Switzerland	Haiti	In-Kind Staff	158 326	11 083
Switzerland	Niger	In-Kind Staff	55 481	3 884
Switzerland	Pakistan	In-Kind Staff	18 012	1 261
Switzerland	Sudan	In-Kind Staff	696 160	48 731
Switzerland	West Africa Regional	In-Kind Staff	874 209	61 195
Switzerland	Headquarters	In-Kind Staff	43 428	3 040
United Kindgom	Pakistan	In-Kind Services	7 056 799	493 976
United Kingdom	Asia Regional	In-Kind Staff	145 762	10 203
United Kingdom	Pakistan	In-Kind Staff	431 792	30 225
United Kingdom	Sudan	In-Kind Staff	12 488	874
Total			21 987 331	1 539 113
Total (2004)			7 884 779	551 935