April 2012



منظمة الأغذية والزراعة للأمم المتحدة

联合国 粮食及 农业组织

Food and Agriculture Organization of the United Nations Organisation des Nations Unies pour l'alimentation et l'agriculture

Продовольственная и сельскохозяйственная организация
Объединенных
Наций

Organización de las Naciones Unidas para la Alimentación y la Agricultura

FINANCE COMMITTEE

Hundred and Forty-fourth Session

Rome, 14 – 15 May 2012

Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rules XII.4 and XIII.4 (h))

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

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EXECUTIVE SUMMARY

Information is provided to the Finance Committee and the Executive Board in accordance with General Rules XII.4 and XIII.4 (h) 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 (f), and iii) waivers of indirect support costs for contributions in kind to cover direct support costs (General Rule XIII.4 (g)).

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

➤ The Finance Committee is invited to take note of this information document.

Draft Advice

➤ In accordance with Article XIV of the General Regulations of WFP, the Finance Committee takes note of the "Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rule XII.4 and XIII.4 (h))."



Executive Board Annual Session

Rome, 4-8 June 2012

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

For information*



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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 (h))

This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (http://executiveboard.wfp.org).

^{*} 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.

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.

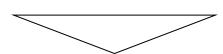
Director RMFF*: Mr G. Craig tel.: 066513-2094

Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).



^{*} Financial Reporting Service





The Board takes note of the "Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rules XII.4 and XIII.4 (h))" (WFP/EB.A/2012/6-I/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.



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INTRODUCTION

1. This report provides information to the Board in accordance with General Rules XII.4 and XIII.4(h) 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 (f)); and iii) waivers of indirect support costs (ISC) for in-kind contributions to cover direct support costs (DSC) (General Rule XIII.4 (g)).

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

- 2. General Rule XII.4 requires that the Executive Director shall be responsible for making the optimum use of available resources in commodities, cash and acceptable services. To this end the Executive Director may use unrestricted cash resources to purchase commodities, to the maximum extent possible from developing countries, and shall report such purchases to the Board. This document reports on the use of unrestricted cash resources for the development programme category.
- 3. In 2011, US\$36.4 million unrestricted cash was available (US\$39.9 million in 2010), of which US\$29.2 million (US\$34.7 million in 2010) or 80 percent (87 percent in 2010) was utilized to purchase food from developing countries. The amount used for purchases from developed countries was US\$7.2 million (US\$5.2 million in 2010) or 20 percent (13 percent in 2010). Details are shown in Table 1.
- 4. 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 (WFP/EB.A/2012/4).

TABLE 1: USE OF UNRESTRICTED CASH RESOURCES FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 IN 2011 DEVELOPMENT PROGRAMME CATEGORY (US\$)				
Purchased from	Developing countries	Developed countries		
Argentina	2 177 126	-		
Australia	-	1 153 036		
Bangladesh	1 221 913	-		
Belgium	-	412 475		
Bhutan	27 955	-		
Bolivia, Plurinational State of	828 867	-		
Brazil	49 900	•		
Burkina Faso	479 771	-		
Cambodia	1 438 999	-		
Cameroon	142 286	-		
Canada	-	769 089		
China	69 120	-		
Egypt	318 524	-		
Ethiopia	133 022	-		



TABLE 1: USE OF UNRESTRICTED CASH RESOURCES FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 IN 2011 DEVELOPMENT PROGRAMME CATEGORY (US\$)

Purchased from	Developing countries	Developed countries	
France	-	32 594	
Germany	-	333 465	
India	4 208 765	-	
Indonesia	3 341 513	-	
Italy	-	1 029 251	
Japan	-	418 437	
Kenya	257 705	-	
Lao People's Dem. Republic	28 304	-	
Lesotho	359 132	-	
Lithuania	284 625	-	
Madagascar	360 364	-	
Malawi	1 839 062	-	
Malaysia	120 413	-	
Mali	697 351	-	
Mozambique	636 094	-	
Nepal	2 555 533	-	
Pakistan	581 073	-	
Russian Federation	-	3 031 835	
Rwanda	480 403	-	
Senegal	45 102	-	
South Africa	2 723 203	-	
Sri Lanka	35 649	-	
Tajikistan	11 671	-	
Thailand	1 009 243	-	
Turkey	434 132	-	
Uganda	1 050 026	-	
Ukraine	51 969	-	
United Republic of Tanzania	385 995	-	
Viet Nam	219 383	-	
Zambia	630 426	-	
Total 2011	29 234 617	7 180 182	
GRAND TOTAL 2011	36 414 798		
Percentage 2011	80	20	
Total 2010	34 695 592	5 213 327	
GRAND TOTAL 2010	39 908 919		
Percentage 2010	87	13	



Contributions or Services from Governments of Developing Countries, Countries with Economies in Transition, and Other Non-Traditional Donors (General Rule XIII.4(f))

5. Many governments of developing countries, countries with economies in transition, and other non-traditional donors continue their support to WFP operations through in-kind contributions of commodities or services under General Rule XIII.4 (f). In 2011, the value of such contributions was US\$114.8 million under twinning arrangements (US\$40.2 in 2010). In-kind commodities and services were matched with US\$112.5 million of cash contributions from other donors (US\$21.3 million in 2010) and US\$6.3 million from the Emerging Donor Matching Fund (EDMF) (US\$11.7 in 2010). The value of ISC waived on these contributions is US\$306.074 in 2011 and there was no ISC waived in 2010.

TABLE 2: CONTRIBUTIONS MADE IN 2011 UNDER GENERAL RULE XIII.4 (f) (US\$)					
Donor	Commodity/service value	Other costs and ISC covered by		ISC waived	
		Other donor	EDMF *	-	
Bangladesh	1 789 984	950 286	1 000 000	-	
Brazil	69 130 218	86 785 783	-	-	
Cambodia	960 870	-	790 254	-	
Congo	40 000	-	65 135	-	
Cuba	2 112 386	1 078 114	286 745	-	
Ethiopia	8 900 000	4 095 200	-	-	
India	11 239 137	7 394 933	-	-	
Kenya	3 406 862	821 154	-	-	
Morocco	433 418	200 000	106 187	-	
Namibia	579 669	1 521 687	-	-	
Pakistan	2 333 240	1 313 352	-	-	
Philippines	3 547 705	1 000 000	1 000 007	-	
Sao Tome and Principe	72 000	23 394	5 040	-	
Sri Lanka	2 708 566	1 151 627	1 000 000	-	
Sudan	712 000	920 985	-	-	
	1 250 000	1 165 926	-	87 500	
	1 788 000	1 334 492	-	218 574	
South Sudan	330 600	324 584	-	-	
United Republic of Tanzania	4 615	5 937	-	-	
Zambia	3 419 763	2 435 083	2 046 919	-	
TOTAL 2011	114 759 033	112 522 537	6 300 287	306 074	
TOTAL 2010	40 165 333	21 329 311	11 754 380	-	

^{*}The EDMF provided finance for the associated costs of these contributions



Waivers of ISC for In-Kind Personnel Provided by Standby Partners (General Rule XIII.4 (g))

6. WFP's operations were augmented through in-kind personnel services provided by standby partners. In 2011, total contributions received for in-kind personnel was US\$20.9 million compared to US\$18.8 million in 2010. The total value of waivers of ISC granted in 2011 was US\$1.4 million compared to US\$1.3 million 2010. Table 3 provides the details by donor agency, recipient country, value, and ISC waived.

Donor	Recipient country/region	Value	ISC waived
Danish Refugee Council	Pakistan	118 779	8 315
	Sierra Leone	105 696	7 399
	Sudan	65 160	4 561
Irish Aid	Ethiopia	273 468	19 143
	Liberia	113 171	7 922
	Nepal	127 430	8 920
	Somalia	113 237	7 927
	Sudan	85 680	5 998
	Uganda	194 170	13 592
lorwegian Refugee	Asia Bureau	162 059	11 344
Council	Côte d'Ivoire	149 214	10 445
	Democratic Republic of the Congo	151 416	10 599
	Democratic People's Republic of Korea	80 640	5 645
	Southern Africa	160 383	11 227
	Liberia	193 754	13 563
	Pakistan	84 499	5 915
	Somalia	224 866	15 741
	Sudan	261 240	18 287
	Syrian Arab Republic	125 611	8 793
	Uganda	116 698	8 169
	Headquarters	637 134	44 599
	Yemen	217 094	15 197
Private Donor - Russian Federation	United Republic of Tanzania	70 782	4 955
Private Donor -	Asia Regional Bureau	91 965	6 438
Red R Australia	Democratic Republic of the Congo	228 012	15 961
	Ethiopia	153 726	10 761
	Liberia	68 112	4 768
	Pakistan	112 518	7 876
	Sri Lanka	79 702	5 579
	Sudan	365 541	25 588
	Headquarters	172 827	12 098



TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (g) in 2011 (US\$) ISC waived **Donor** Recipient country/region Value Swedish Civil Bolivia, Plurinational State of 122 910 8 604 Contingencies Agency Central Africa Republic 56 133 3 929 Chad 76 343 5 344 Côte d'Ivoire 65 065 4 555 Democratic Republic of the Congo 2 833 739 198 362 East and Central Africa 259 994 18 200 Ethiopia 812 911 56 904 Haiti 2 360 090 165 206 Liberia 235 263 16 468 Pakistan 3 196 962 223 787 Sudan 1 687 268 118 109 Uganda 512 196 35 854 West Africa 1 138 676 79 707 Headquarters 486 711 34 070 Zimbabwe 156 200 10 934 Swiss Agency for Bolivia, Plurinational State of 130 717 9 150 Development and 145 560 10 189 Cooperation Côte d'Ivoire 144 828 10 138 East and Central Africa 82 523 5 777 Liberia 145 377 10 176 Mozambique 117 869 8 251 Pakistan 88 739 6 212 Sudan 238 269 16 679 Uganda 130 188 9 113 West Africa 282 974 19 808 Headquarters 69 487 4 864 Zambia 100 985 7 069 Zimbabwe 71 914 5 034 **TOTAL 2011** 20 854 476 1 459 813 **TOTAL 2010** 18 864 058 1 320 484

