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RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

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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.

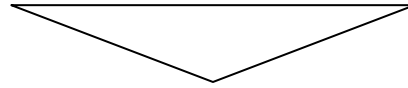
Chief Financial Officer a.i., FL*: Mr S. O'Brien tel.: 066513-2682

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 and Legal 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/2009/6-H/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.



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 indirect support costs (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 unrestricted as 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 or allocated commitments under DEVs.
- In 2008, US\$ 135.8 million unrestricted cash was available (US\$83.2 million in 2007), of which US\$79.0 million (US\$51.5 million in 2007) or 58 percent (64 percent in 2007) was utilized to purchase commodities from developing countries. The amount used for purchases from developed countries was US\$56.8 million (US\$31.7 million in 2007) or 42 percent (36 percent in 2007). 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 | 1 153 567 | |
| Bangladesh | 5 712 428 | |
| Belgium | | 2 927 420 |
| Benin | 1 346 757 | |
| Bhutan | 1 047 307 | |
| Bolivia | 1 995 677 | |
| Burkina Faso | 3 124 107 | |
| Cambodia | 578 065 | |
| Cameroon | 952 220 | |
| Canada | | 18 456 396 |
| Denmark | | 1 746 352 |
| Egypt | 1 061 602 | |
| Ethiopia | 2 235 923 | |
| France | | 1 651 772 |
| Gambia | 9 174 | |
| Ghana | 1 969 011 | |
| Guatemala | 1 895 442 | |
| Honduras | 1 459 852 | |

TABLE 1: REPORT ON THE USE OF UNRESTRICTED CASH RESOURCES IN 2008 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 (US\$)

| Purchased from | Developing Countries | Developed Countries |
|--------------------------|----------------------|---------------------|
| India | 6 656 448 | |
| Italy | | 3 211 813 |
| Japan | | 1 025 004 |
| Kenya | 3 407 286 | |
| Laos | 426 635 | |
| Lesotho | 375 624 | |
| Malawi | 1 464 440 | |
| Malaysia | 1 561 045 | |
| Mali | 1 067 522 | |
| Mozambique | 1 794 756 | |
| Namibia | 3 150 | |
| Nepal | 4 807 450 | |
| Netherlands | | 6 572 391 |
| Nicaragua | 2 790 928 | |
| Niger | 461 876 | |
| Pakistan | 1 027 457 | |
| Peru | 2 515 686 | |
| Russian Federation | | 3 693 026 |
| Rwanda | 1 645 873 | |
| Senegal | 25 618 | |
| Singapore | 5 101 325 | |
| South Africa | 8 942 089 | |
| Sri Lanka | 443 247 | |
| Sudan | 459 849 | |
| Switzerland | 1 197 301 | |
| Tanzania | 1 698 430 | |
| Thailand | 214 196 | |
| Turkey | | 2 251 506 |
| Uganda | 1 580 957 | |
| United Arab Emirates | 48 277 | |
| United Kingdom | | 12 251 026 |
| United States of America | | 2 977 267 |
| Uruguay | 76 296 | |
| Viet Nam | 526 320 | |
| Yemen | 554 404 | |
| Zambia | 3 594 125 | |
| Total 2008 | 79 009 742 | 56 763 972 |
| Grand Total 2008 | | 135 773 714 |
| <i>Percentage % 2008</i> | <i>58%</i> | <i>42%</i> |
| Total 2007 | 51 459 422 | 31 727 499 |
| Grand Total 2007 | | 83 186 921 |
| <i>Percentage % 2007</i> | <i>64%</i> | <i>36%</i> |



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

5. In 2008, 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\$20,895,928 (US\$30,029,338 in 2007). Cash contributions of US\$12,208,709 from other donors (US\$28,761,931 in 2007) and US\$2,906,344 from WFP's resources (US\$3,227,035 in 2007) were utilized in support of the contributions. ISC waived on contributions in 2008 was US\$21,000 (compared to no ISC waived in 2007) as shown in Table 2.

| Donor | Commodity/ Service value | Other costs and ISC covered by | | ISC waived |
|---|-----------------------------|--------------------------------|------------------|---------------|
| | | Other donors | WFP* | |
| Airports of Thailand public co. (Private) | 300 000 | | | 21 000 |
| Bangladesh | 2 659 222 | 2 001 943 | | |
| Bangladesh | 1 241 260 | 934 458 | | |
| Bangladesh | 1 399 518 | 1 102 411 | | |
| Bangladesh | 1 886 983 | | 132 089 | |
| Cambodia | 1 560 000 | | 26 217 | |
| Cuba | 585 000 | 349 860 | | |
| Cuba | 390 000 | | 450 367 | |
| Egypt | 92 338 | 7 841 | | |
| Egypt | 19 680 | 32 301 | | |
| Kenya | 417 845 | 94 503 | | |
| Kenya | 442 922 | 63 632 | | |
| Kenya | 1 500 000 | 1 287 992 | | |
| Kenya | 1 700 000 | 1 709 390 | | |
| Kenya | 750 000 | | | |
| Kenya | 425 000 | 78 165 | | |
| Kenya | 800 000 | 538 249 | | |
| Malawi | 539 460 | | 317 651 | |
| Mali | 176 000 | | 161 981 | |
| Mozambique | 105 048 | | 135 772 | |
| Pakistan | 1 875 600 | 3 446 665 | | |
| Zambia | 600 000 | 561 301 | | |
| Zambia | 650 000 | | 608 076 | |
| Zambia | 780 052 | | 1 074 191 | |
| Total 2008 | 20 895 928 | 12 208 709 | 2 906 344 | 21 000 |
| Total 2007 | 30 029 338 | 28 761 931 | 3 227 035 | 0 |

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



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

6. For 2008, on US\$6,812,801 of contributions made for in-kind DSC, the total value of waivers of ISC granted was US\$476,896, compared with US\$5,466,099 of contributions and US\$382,627 of waivers in 2007. Table 3 provides details by donor, recipient country, value and ISC waived. All contributions were as in-kind staff.

| TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULES XIII.4 (f) IN 2008 (US\$) | | | |
|---|--|--------------|-------------------|
| Donor | Recipient Country | Value | ISC Waived |
| Denmark | Central African Republic | 138 228 | 9 676 |
| Denmark | Chad | 41 845 | 2 929 |
| Denmark | Ethiopia | 35 035 | 2 452 |
| Denmark | Regional Bureau Johannesburg (Southern, Eastern and Central Africa) | 65 205 | 4 564 |
| Denmark | Sri Lanka | 105 752 | 7 403 |
| Denmark | Sudan | 72 540 | 5 078 |
| Denmark | Syrian Arab Republic | 57 018 | 3 991 |
| Denmark | Zimbabwe | 33 855 | 2 370 |
| Department for International Development - United Kingdom | Myanmar | 106 559 | 7 459 |
| Ireland | Dem. Rep. of the Congo (Kinshasa) | 178 825 | 12 518 |
| Ireland | Democratic People's Republic of Korea | 103 008 | 7 211 |
| Ireland | Ethiopia | 33 215 | 2 325 |
| Ireland | Headquarters | 92 697 | 6 489 |
| Ireland | Sri Lanka | 70 850 | 4 960 |
| Norway | Bangladesh | 239 463 | 16 762 |
| Norway | Central African Republic | 101 160 | 7 081 |
| Norway | Dem. Rep. of the Congo (Kinshasa) | 172 072 | 12 045 |
| Norway | Democratic People's Republic of Korea | 154 512 | 10 816 |
| Norway | Haiti | 26 622 | 1 864 |
| Norway | Liberia | 38 100 | 2 667 |
| Norway | Regional Bureau Cairo (Middle East, Central Asia and Eastern Europe) | 110 330 | 7 723 |
| Norway | Sudan | 277 174 | 19 402 |
| Norway | Syrian Arab Republic | 104 400 | 7 308 |
| Norway | Tanzania | 16 320 | 1 142 |
| Norway | Regional Bureau Dakar (West Africa) | 5 216 | 365 |
| Norway | Yemen | 48 600 | 3 402 |
| Private Donor- Red R Australia | Democratic People's Republic of Korea | 56 832 | 3 978 |
| Private Donor- Red R Australia | East Timor | 20 905 | 1 463 |
| Private Donor- Red R Australia | Headquarters | 168 992 | 11 829 |
| Private Donor- Red R Australia | Laos | 84 606 | 5 922 |
| Private Donor- Red R Australia | Myanmar | 136 136 | 9 530 |
| Private Donor- Red R Australia | Somalia | 51 113 | 3 578 |
| Private Donor- Red R Australia | Sri Lanka | 65 400 | 4 578 |

TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULES XIII.4 (f) IN 2008 (US\$)

| Donor | Recipient Country | Value | ISC Waived |
|--------------------------------|--|------------------|-------------------|
| Private Donor- Red R Australia | Sudan | 340 223 | 23 816 |
| Private Donors- Sweden | Headquarters | 48 840 | 3 419 |
| Private Donors- USA | Ethiopia | 48 420 | 3 389 |
| Private Donors-Netherlands | Bangladesh | 358 725 | 25 111 |
| Private Donors-Netherlands | Ghana | 173 340 | 12 134 |
| Private Donors-Netherlands | Guatemala | 65 890 | 4 612 |
| Private Donors-Netherlands | Headquarters | 123 619 | 8 653 |
| Private Donors-Netherlands | Indonesia | 108 749 | 7 612 |
| Private Donors-Netherlands | Kenya | 123 025 | 8 612 |
| Sweden | Dem. Rep. of the Congo (Kinshasa) | 99 082 | 6 936 |
| Sweden | Haiti | 106 566 | 7 460 |
| Sweden | Headquarters | 66 976 | 4 688 |
| Sweden | Mozambique | 157 777 | 11 044 |
| Sweden | Myanmar | 128 568 | 9 000 |
| Sweden | Somalia | 210 773 | 14 754 |
| Sweden | Sri Lanka | 69 041 | 4 833 |
| Sweden | Sudan | 536 832 | 37 578 |
| Sweden | Regional Bureau Dakar (West Africa) | 9 760 | 683 |
| Sweden | Zimbabwe | 70 625 | 4 944 |
| Switzerland | Dem. Rep. of the Congo (Kinshasa) | 17 395 | 1 218 |
| Switzerland | Georgia | 53 667 | 3 757 |
| Switzerland | Haiti | 228 420 | 15 989 |
| Switzerland | Madagascar | 121 380 | 8 497 |
| Switzerland | Myanmar | 207 553 | 14 529 |
| Switzerland | Nepal | 42 120 | 2 948 |
| Switzerland | Regional Bureau Cairo (Middle East, Central Asia and Eastern Europe) | 20 880 | 1 462 |
| Switzerland | Senegal | 35 796 | 2 506 |
| Switzerland | Sri Lanka | 83 375 | 5 836 |
| Switzerland | Sudan | 142 800 | 9 996 |
| Total 2008 | | 6 812 801 | 476 896 |
| Total 2007 | | 5 466 099 | 382 627 |