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de Alimentos

**Executive Board
Annual Session**

Rome, 9–12 June 2008

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

*For information**

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Distribution: GENERAL
WFP/EB.A/2008/6-H/1
2 May 2008
ORIGINAL: ENGLISH

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.

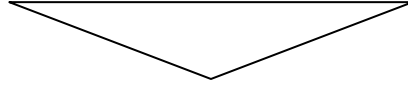
Deputy Chief Financial Officer and Mr E. Whiting tel.: 066513-2701
Director, FLA*:

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).

* Office of Financial Accounting



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/2008/6-H/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/2008/16) issued at the end of the session.



INTRODUCTION

1. 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)

2. 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.
3. In 2007, US\$83.2 million unrestricted cash was available (US\$70.7 million in 2006), of which US\$52.9 million (US\$43.5 million in 2006) or 64 percent (62 percent in 2006) was utilized to purchase commodities from developing countries. The amount used for purchases from developed countries was US\$30.3 million (US\$27.2 million in 2006) or 36 percent (38 percent in 2006). 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 (APR).

TABLE 1: USE OF UNRESTRICTED CASH RESOURCES IN 2007 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 (in US\$)

Purchased from	Developing countries	Developed countries
Argentina	1 105 222	
Australia		9 203
Bangladesh	122 337	
Belgium		1 371 445
Benin	484 174	
Bhutan	29 992	
Bolivia	2 369 662	
Brazil	49 455	
Burkina Faso	1 095 006	
Cambodia	171 566	
Cameroon	1 076 308	
Canada		15 516 771
China	84 476	
Cuba	831 734	
Denmark		4 440 946
Egypt	189 711	
Ethiopia	1 495 329	
France		218 786
Gambia	5 716	
Germany		63 812
Ghana	1 326 591	
Guatemala	516 079	
Honduras	1 341 948	
India	7 273 557	
Indonesia	728 039	
Italy		1 956 698
Japan		6 495 169
Kenya	1 619 742	
Lao People's Dem. Republic	417 676	
Lesotho	199 055	
Malawi	3 145 830	
Malaysia	2 881 332	
Mali	634 344	
Mexico	165 410	
Mozambique	2 332 417	
Namibia	11 529	
Nepal	6 674 195	



TABLE 1: USE OF UNRESTRICTED CASH RESOURCES IN 2007 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 (in US\$)		
Purchased from	Developing countries	Developed countries
Netherlands		66 263
Nicaragua	242 134	
Niger	30 986	
Pakistan	2 582 576	
Peru	309 670	
Russian Federation		155 316
Rwanda	86 304	
Senegal	185 576	
South Africa	1 760 519	
Sri Lanka	894 983	
Sudan	198 776	
Syria	513 453	
Thailand	436 361	
Turkey		1 433 04
Uganda	1 702 443	
United Arab Emirates	38 500	
United Republic of Tanzania	2 369 714	
Viet Nam	117 482	
Yemen	48 725	
Zambia	1 562 784	
Total 2007	51 459 422	31 727 499
GRAND TOTAL 2007	83 186 871	
Percentage 2007	64%	36%
<i>Total 2006</i>	<i>43 481 582</i>	<i>27 219 783</i>
<i>GRAND TOTAL 2006</i>	<i>70 701 365</i>	
<i>Percentage 2006</i>	<i>62%</i>	<i>38%</i>

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

5. In 2007, 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\$30,029,338 (US\$38,189,431 in 2006). Cash contributions of US\$28,761,931 from other donors (US\$28,988,846 in 2006) and US\$3,227,035 from WFP's resources (US\$926,324 in 2006) were utilized in support of the contributions. No ISC was waived in 2007, compared with US\$626,593 in 2006.



TABLE 2: CONTRIBUTIONS MADE IN 2007 UNDER GENERAL RULE XIII.4 (e) (in US\$)			
Donor	Value	Other costs and ISC covered by	
		Other donors	WFP*
Azerbaijan	1 248 400	333 447	110 730
Azerbaijan	656 980	207 311	
Azerbaijan	491 450	132 734	
Bangladesh	3 094 777	11 308 562	216 634
Bangladesh	3 303 257	2 600 000	
Bangladesh	3 737 145	3 000 000	
Bangladesh	519 400	391 020	
Private donor - Burundi	7 800	4 755	
Cambodia	503 400	293 749	
Egypt	44 014	77 501	
Egypt	27 480	58 631	
Egypt	104 278	104 479	
Egypt	99 116	28 861	
India	1 395 201	890 598	
India	3 536 552	268 582	
Kenya	500 000	977 350	
Kenya	543 500		
Kenya	960 000		374 778
Kenya	450 000		178 887
Lesotho	950 000		1 346 006
Malawi	804 288	538 200	
Malawi	123 723	82 762	
Malawi	386 214	274 558	
Malawi	531 000	503 632	
Mozambique	102 000	84 501	
Pakistan	3 398 654	4 403 403	
Private donor - Indonesia	8 609	2 677	
Saudi Arabia	2 100	503	
Zambia	266 500	249 311	
Zambia	1 085 055	1 005 783	
Zambia	1 068 945	864 648	1 000 000
Zambia	79 500	74 372	
Total 2007	30 029 338	28 761 931	3 227 035
<i>Total 2006</i>	<i>38 189 431</i>	<i>28 988 846**</i>	<i>926 324</i>

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

** The figure in 2006 did not include ISC.



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

6. For 2007, on US\$5,466,099 of contributions made for in-kind DSC, the total value of waivers of ISC was US\$382,627, compared with US\$9,724,821 of contributions and US\$680,737 of waivers in 2006. Table 3 provides details by donor, recipient country, value and ISC waived. All contributions were as in-kind staff.

TABLE 3: WAIVERS OF ISC FOR IN-KIND DSC IN 2007 UNDER GENERAL RULE XIII.4 (f) (in US\$)			
Donor	Recipient	Value	ISC waived
Denmark	Headquarters	26 078	1 825
Denmark	Malawi	32 397	2 268
Denmark	Mozambique	61 706	4 319
Denmark	Southern Africa Regional	59 972	4 198
Denmark	Sri Lanka	276 123	19 329
Denmark	Sudan	139 659	9 776
Denmark	West Africa Regional	25 767	1 804
Iceland	Sudan	23 468	1 643
Ireland	Mozambique	14 351	1 005
Ireland	Sri Lanka	27 465	1 923
Norway	Dem. Rep. Congo (Kinshasha)	134 415	9 409
Norway	Headquarters	113 820	7 967
Norway	Iraq	23 648	1 655
Norway	Liberia	105 522	7 387
Norway	Nepal	73 937	5 176
Norway	Sudan	288 056	20 164
Norway	Syrian Arab Republic	95 850	6 710
Norway	Uganda	298 792	20 915
Norway	United Rep. Tanzania	74 475	5 213
Norway	Headquarters	244 063	17 084
Private donor- RedR Australia	Cambodia	22 052	1 544
Private donor- RedR Australia	Timor-Leste	105 188	7 363
Private donor- RedR Australia	Headquarters	74 525	5 217
Private donor- RedR Australia	Indonesia	74 988	5 249
Private donor- RedR Australia	Lao People's Dem Rep	80 934	5 665
Private donor- RedR Australia	Malawi	219 005	15 330
Private donor- RedR Australia	Myanmar	40 647	2 845
Private donor- RedR Australia	Somalia	77 625	5 434
Private donor- RedR Australia	Sri Lanka	188 850	13 220
Private donor- RedR Australia	Sudan	115 038	8 053
Sweden	Dem. Rep. Congo (Kinshasha)	194 225	13 596
Sweden	Headquarters	1 005	70
Sweden	Kenya	34 565	2 420



TABLE 3: WAIVERS OF ISC FOR IN-KIND DSC IN 2007 UNDER GENERAL RULE XIII.4 (f) (in US\$)			
Donor	Recipient	Value	ISC waived
Sweden	Mozambique	152 505	10 675
Sweden	Pakistan	18 378	1 286
Sweden	Somalia	63 768	4 464
Sweden	Sri Lanka	123 408	8 639
Sweden	Sudan	648 901	45 423
Sweden	Uganda	32 395	2 268
Sweden	West Africa Regional	11 055	774
Sweden	Headquarters	88 440	6 191
Denmark	Headquarters	26 078	1 825
Switzerland	Afghanistan	120 300	8 421
Switzerland	Angola	31 710	2 220
Switzerland	Dem. Rep. Congo (Kinshasha)	16 083	1 126
Switzerland	Haiti	257 117	17 998
Switzerland	Myanmar	156 880	10 982
Switzerland	Sri Lanka	27 853	1 950
Switzerland	Sudan	210 822	14 758
Switzerland	Syria	27 852	1 950
Switzerland	West Africa Regional	110 430	7 730
TOTAL 2007		5 466 099	382 627
<i>TOTAL 2006</i>		<i>9 724 821</i>	<i>680 737</i>