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POLICY ISSUES

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NEW PARTNERSHIPS TO MEET RISING NEEDS – EXPANDING THE WFP DONOR BASE

This document is printed in a limited number of copies. Executive Board documents are available on WFP's WEB site (<http://www.wfp.org/eb>).

NOTE TO THE EXECUTIVE BOARD

This document is submitted for approval by the Executive Board.

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 points indicated below, preferably well in advance of the Board's meeting.

Deputy Director, Private Sector Fundraising (FRP): Ms R. Doyle tel.: 066513-2621

Senior Donor Relations Officer, FRP: Mr P. Ward tel.: 066513-2742

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).



EXECUTIVE SUMMARY

Following the Executive Board's request at its October 2003 session for a paper outlining WFP's strategy to engage additional governments and private entities to broaden its donor base, the Secretariat prepared a document and held two informal consultations with the membership. These consultations provided additional inputs and suggestions to the strategy. Based on this process, this paper outlines the strategy to engage new donors in the fight against world hunger.

As global food aid requirements continue to grow, more donors must be involved in sharing the burden of meeting them. WFP's strategy is therefore designed to diversify and expand donor support, aiming to seek and accept only contributions that are required to meet beneficiary needs or to help WFP to meet them.

WFP aspires to have all Member States, inter-governmental organizations and the private sector as donors. Given this enlarged donor base, the current definitions of "traditional" and "non-traditional" donors are no longer adequate. It is therefore proposed that the terms be replaced with the single term "donor." To differentiate between public and private donors, the following definitions are recommended:

Public donor: A contributor to WFP that is a member of the United Nations, the Food and Agriculture Organization of the United Nations, an inter-governmental or other public organization.

Private donor: A contributor to WFP that is either a for-profit corporation or business association, a foundation, a social, educational or service organization, a non-governmental organization or an individual.*

Public donors

WFP does not have assessed contributions or a core budget, so the application of full-cost recovery on a contribution-by-contribution basis is essential. In principle, all donors should meet full-cost recovery; however, to support Member States that are unable to do so and ensure the application of objective criteria to determine which member states are eligible for special efforts, WFP proposes to use per capita gross national income as a criterion.

To assist donors that are unable to meet full-cost recovery from their own resources the following options are available:

- twinning with another Member State;
- a twinning fund; and
- twinning with private contributions.

* WFP will approach non-governmental organizations and individuals on a case-by-case basis.



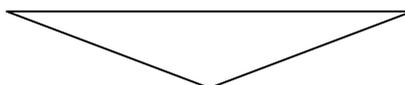
Private donors

WFP aspires to raise 10 percent of its resources from private donors by 2007, with modest growth beginning in 2003–2004, seeking cash and in-kind contributions from private donors that are aligned with its priority needs and can best serve its beneficiaries. Private contributions will not be a substitute for Member State funding.

Private donations are subject to the same WFP policies established for public donors.

WFP has developed additional policies and guidelines based upon the best practices of the United Nations Global Compact, the Food and Agriculture Organization of the United Nations, the United Nations Development Programme, the Office of the United Nations High Commissioner for Refugees and the United Nations Children’s Fund.

DRAFT DECISION*



The Executive Board endorses the strategy for broadening the donor base as presented in the document “New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base” (WFP/EB.3/2004/4-C).

The Board also decides:

- i. that the definition of donor be revised as follows:
 - ◇ **Public donor:** “A contributor to WFP that is a member of the United Nations, the Food and Agriculture Organization of the United Nations, an inter-governmental or other public organization”;
 - ◇ **Private Donor:** “A contributor to WFP that is either a for-profit corporation or business association, a foundation, a social, educational or service organization, a non-governmental organization or an individual”;
- ii. that the relevant sections of the *Consolidated Framework of WFP Policies* be adjusted to include the single term “donor”;
- iii. that the criteria used by WFP for cooperating with private donors are as outlined in Annex II: WFP Private Donor Selection for Cooperation; and
- iv. that the *Code of Conduct* as outlined in Annex III be used for all forms of cooperation with private donors.

* 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.



I. INTRODUCTION

1. Following the Board's request in October 2003 for a paper from WFP outlining its strategy for engaging new public and private donors, WFP prepared a document that was discussed with the membership at an informal consultation on 5 May 2004. There was overall support for the paper's approach, but members pointed out issues that required further discussion. WFP developed a follow-up paper to address those issues and presented it at an informal consultation on 13 July 2004. Based on the above process, this document outlines the strategy for broadening the donor base.

II. MAIN TENETS OF THE STRATEGY

2. To meet the full requirements of programmes and operations in the Management Plan approved by the Executive Board, WFP will need to expand relations with current donors and engage new donors, both public and private.
3. WFP's strategy is aimed at seeking and accepting only contributions that are directly required to meet beneficiary needs or to help WFP to meet those needs.
4. To maximize the volume of resources available to its beneficiaries, WFP must be able to accept cash and commodities, goods and services required to meet beneficiary needs, and must do so in ways that meet full-cost recovery (FCR) and that are trade-neutral.
5. WFP will ensure that its strategy is implemented in coordination with the Business Process Review (BPR), which is designed to improve efficiency in WFP and ensure the maximum use of resources to meet the needs of the greatest number of beneficiaries.
6. In line with this strategy, the current definitions of "traditional" and "non-traditional" donors¹ to WFP, as outlined in the *Consolidated Framework of WFP Policies*, are inadequate. A traditional donor is currently defined as:

"a contributor to WFP that has normally provided contributions to WFP on a full-cost recovery basis and is included in Lists D or E of the Food and Agriculture Organization of the United Nations Member States listings — unless also recognized as a country in transition and including the European Union and Saudi Arabia."

7. A non-traditional donor is defined as:

"a contributor to WFP that is not defined as a traditional donor, as determined by the WFP Executive Board."

8. The above definitions are used to identify the donors required to meet FCR on their own, and those for which special efforts can be made to enable them to meet FCR. The terms are not otherwise helpful. It is therefore proposed that the present definitions be replaced with the single term "donor."

¹ *Guide to WFP's Resource and Long-Term Financing Policies*, October 1999.



9. Following the informal consultations with the WFP membership, and to differentiate between public and private donors, the following definitions are proposed:

- **Public donor:** “A contributor to WFP that is a member of the United Nations, the Food and Agriculture Organization of the United Nations or an inter-governmental or other public organization.”
- **Private donor:** “A contributor to WFP that is either a for-profit corporation or business association, a foundation, a social, educational or service organization, a non-governmental organization or an individual.”²

The proposal to replace current definitions of “traditional” and “non-traditional” donors with the single term “donor” will be reflected in the *Consolidated Framework of WFP Policies*.

III. STRENGTHENING, DIVERSIFYING AND EXPANDING RELATIONSHIPS WITH THE CURRENT DONOR COMMUNITY

10. Recognizing the importance of the generous contributions from its current donors, WFP is strengthening and diversifying relations with these donors with the aim of developing new areas of collaboration.
11. To help strengthen communication and cooperation with these donors and other important stakeholders, WFP has decentralized its donor relations offices with the United States and the European Commission and has strengthened its office in Japan. New bureaux have also been opened in Germany and Dubai, an office is planned for France, and WFP public information officers have been assigned to London and Copenhagen.

IV. PUBLIC DONORS

A. Ways in which Donors Can Give

12. Donors can provide contributions to WFP in several ways – as cash, in-kind goods and services and contributions to special operations and bilateral operations managed by WFP. They can also participate in debt-swap arrangements or south-south cooperation agreements.
13. A debt swap for development occurs when a donor or creditor country agrees with a recipient or borrower to forego repayment of public debt on the condition that the recipient/borrower invests the money in agreed development projects. The aim of debt-swap agreements is to reduce the external debt of the world’s poorest countries while investing in development activities in those countries.
14. Italy has been a leader in the implementation of debt-swap agreements, including one with the Government of Egypt. As part of this agreement, Italy agreed to forego debt on the condition that Egypt invested the equivalent amount in development projects. Part of the funds from this agreement is being used to support WFP school feeding projects in Egypt. There is great potential for expanding these arrangements with other donors and recipient countries.

² WFP will approach non-governmental organizations and individuals on a case-by-case basis.



B. Full-Cost Recovery

15. WFP does not have assessed contributions or a core budget. Application of FCR on a contribution-by-contribution basis is therefore essential.
16. FCR means that public and private donors are required to meet their contribution's share of all associated costs, including external transport, landside transport, storage and handling (LTSH), other direct operational costs (ODOC) and indirect support costs (ISC).

⇒ *Criteria for eligibility to receive support in meeting FCR*

17. Some donors have the capacity to meet FCR; others do not. To determine whether a member state that cannot provide for FCR is eligible for special efforts and to ensure that objective criteria are applied, WFP proposes to use per capita gross national income (GNI) as the criterion.³ Countries eligible for assistance in meeting FCR will be least-developed countries, low-income and lower-middle income countries defined by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) as having a per capita GNI of US\$2,975 or less (see Annex I).⁴
18. The proposal that the revised definition of donors use this criterion for eligibility of a member state for special efforts makes for precision in applying General Rule XIII.4(e), which identifies these members as "Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board".
19. Some donors with a per capita GNI of US\$2,975 or less have in practice provided cash for FCR. WFP will encourage donors eligible for special efforts to provide for FCR themselves whenever possible.

⇒ *Ensuring FCR*

20. The challenge for WFP is to find innovative ways to ensure that FCR can be met for donors that possess in-kind commodities and services but have limited financial capacity to cover associated costs. Under the current regulations, the following options are available to help these donors.
21. **Twinning** involves matching an in-kind contribution or service from a donor with a cash donation from another donor to meet the associated costs of a contribution. In supporting twinning arrangements, donors are free to determine on a case-by-case basis the recipients and countries with which they would like to twin in full or in part. WFP requests that its current donors agree to the use of their cash contributions for twinning arrangements, particularly when the contribution would otherwise be used to purchase food on international markets.
22. WFP will continue to prioritize the use of cash contributions to purchase locally or in a region. WFP's ability to purchase in many countries is limited, however, because of insufficient local stocks, the quantity of commodities, reluctance to cause local price increases, poor market infrastructure and reliability. WFP is analysing trends in its procurement activity and will monitor this issue closely.
23. **Cost-sharing** uses the same model, with the difference that two or more donors may work together to meet the associated costs of an in-kind contribution. The advantage of

³ WFP chose per capita GNI as a neutral, objective and annually updated indicator that would harmonize with other international organizations such as the World Bank, UNDP and FAO.

⁴ OECD/DAC *List of Aid Recipients*, 1 January 2003.



these arrangements is that WFP is able to leverage a larger quantity of food to meet beneficiary requirements than if cash contributions were used to purchase food on the international market.

Additional beneficiaries assisted through a twinning arrangement

Cuba made an in-kind contribution of 1,000 mt of sugar towards WFP's operations in the Democratic People's Republic of Korea, but did not have the means to meet the associated costs of the contribution. Germany agreed to cover these costs to deliver the food to DPRK, where it was needed to produce high-energy biscuits for malnourished children. By entering into a twinning arrangement, Cuba and Germany were able to leverage **25 percent** more sugar and to provide food for 7,000 more children than if the German cash contribution had been used to purchase food on the international market.

24. WFP has at its disposal cash to support the associated costs of in-kind commodity or service contributions from eligible donors. The fund has the potential to provide considerable assistance to donors unable to meet FCR. WFP will use the fund to encourage countries to become regular donors and eventually to meet FCR from their own resources. A detailed mechanism for the fund and participation eligibility criteria beyond per capita GNI has not been required because the fund is small and there are few transactions.⁵ Rules for the fund will be reviewed when additional donors express interest in enlarging it by participating.
25. As part of its initiative to engage private donors, WFP will explore the possibility of linking contributions from private donors to meet the associated costs of in-kind public contributions. Private in-kind donations such as shipping, transport and distribution services could be used to support delivery and distribution of in-kind contributions.
26. WFP is also developing new proposals for meeting FCR. This is an evolving area, with new possibilities constantly presenting themselves: WFP therefore requests continued flexibility from the Board so that additional options can be sought, evaluated and discussed with the membership.

D. Maximizing the Volume of Food for Beneficiaries, without Disrupting Trade

27. The Committee on Surplus Disposal of the Food and Agriculture Organization of the United Nations (FAO) will continue to be notified of all public donor contributions to ensure that food exported on concessional terms does not displace normal commercial imports or discourage or otherwise adversely affect domestic production, as with current contributions.
28. An Economics Analysis Unit has been established in the Policy, Strategy and Programme Support Division to advise WFP on the market impact of its food procurement and distribution practices and on the implications for WFP of discussions in the World Trade Organization (WTO).

⁵ There are currently only limited amounts available to the fund, which allows WFP to use up to US\$1 million per eligible donor per year, with a cap of US\$4 million in any calendar year.



V. PRIVATE DONORS

29. WFP aspires to raise 10 percent of its resources from private donors by 2007, with modest growth beginning in 2003–2004. WFP’s primary aim in cooperating with private donors is to expand its fight against global hunger by sharing the burden of the cost, resources and effort required to achieve the goal of feeding all identified beneficiaries through approved programmes.

A. United Nations Vision of Private-Sector Cooperation

30. United Nations collaboration with private donors dates back more than 50 years, though it is a new area of opportunity for WFP. Secretary-General Kofi Annan has taken a leadership role in championing United Nations cooperation with the private sector,⁶ from the establishment of the United Nations Global Compact in 2000 to the new United Nations Commission on the Private Sector, launched in July 2003.
31. The Secretary-General’s report to the General Assembly “Cooperation between the United Nations and All Relevant Partners, in Particular the Private Sector” dated 28 August 2001 sought the views of Member States, businesses and civil-society leaders on how to enhance cooperation between the United Nations and the private sector. Members recognized that the private sector has had and will continue to have a significant role to play in development. In order to protect the reputation of the United Nations and ensure that value is created from the work undertaken with the private sector, agencies should select potential private partners with care and exercise due diligence. Agencies should also take proper measures and manage expectations to ensure that no private-sector partner benefits commercially from its relationship with the United Nations. In order to maintain independence and ensure fairness, agencies should not grant exclusivity⁷ to any private-sector partner. Members felt that no private contribution should serve as a substitute for Member State funding. Finally, there was general agreement that private donors should not compromise the independence and neutrality of the United Nations, nor replace the role of Member States.

B. WFP and Private Donors

32. There are many ways to work with private donors, for example through major partnerships, cause-related marketing or renewable funding streams. A private donor may make a simple contribution requiring minor WFP interaction or engage in a long-term relationship that requires extensive collaboration. WFP will explore all opportunities to guarantee that its needs are met.
33. Given that WFP operations are rarely fully funded, it is unlikely that private donations for a particular operation would substitute for member state contributions. When a private donor provides a gift in kind for programme support and administrative (PSA) activities, WFP will treat the donation in the same manner as special funds provided for such purposes by a public donor, most importantly by ensuring that they are consistent with one or more of the management priorities agreed through the Management Plan.

⁶ “Private sector” is equivalent to the term “private donor” used in this document.

⁷ Section II A, paragraph 26 of the report states: “If a United Nations body is partnering with an individual company, for example, this should not impede it from partnering with others in the same industry or competitive sphere as that company.”



34. WFP seeks contributions that are aligned with its priority needs and can best serve its beneficiaries. To that end, WFP focuses on initiatives that support its major “needs areas”, which include the needs to:
- increase the speed and efficiency of emergency operations (EMOPs);
 - build better supply chains for emerging donors;
 - enhance the nutrition, health and education of beneficiaries;
 - build awareness and support the fight against global hunger;
 - enhance technological support;
 - strengthen management and develop human resources; and
 - improve WFP business processes.
35. Private donations are subject to the same WFP policies established for public donors.⁸ WFP accepts cash and gifts in kind – commodities, services, expertise or products.
36. To ensure the best use of donations and successful relationships with private donors, WFP takes care to accept only contributions that are aligned with its priority needs and that best serve its beneficiaries. The Executive Director may exercise discretion and decline contributions deemed inappropriate. Areas of cooperation include those listed in Article XIII of WFP’s General Rules and Regulations on Contributions.
37. Partnering with WFP provides excellent opportunities for private donors to demonstrate their social responsibility. Association with WFP can, for example, enhance a private donor’s image, increase positive media exposure, improve employee morale and strengthen recruitment and retention.
38. WFP’s cooperation with private donors creates opportunities for organizations and people outside traditional WFP circles to engage with it intellectually and emotionally in its fight against global hunger. More specifically, private donors can leverage their resources, expertise and skills to help WFP to:
- assist more beneficiaries by expanding its resource base;
 - build a stronger institution by decreasing response times, improving operational efficiency, strengthening capacity and sharpening skills to serve beneficiaries better; and
 - multiply awareness and visibility efforts for WFP in its fight against global hunger.

C. Private Donor Selection

39. In designing the process by which private donors are identified, screened and selected and through which donations will be accepted, WFP:
- developed a private-donor strategy that is demand-driven and based on its needs; the process thus emphasizes proactive selection rather than reactive acceptance;
 - began with existing policies for government donors as stipulated in its Rules and Regulations as a baseline;
 - used the framework for private-donor cooperation established by the United Nations Global Compact for guidance;

⁸ As governed by General Rule XIII.4.



- sought information from FAO, the United Nations Development Programme (UNDP), the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Children's Fund (UNICEF) regarding their private-sector guidelines and selection criteria; and
 - analysed the information to create WFP policy.
40. WFP's private-donor fundraising policy aims to strike a balance between protecting WFP's excellent reputation and seeking opportunities with donors whose products, services, core competencies and expertise are a strategic fit with WFP needs. To that end, WFP applies stringent selection criteria and undertakes a rigorous screening process before accepting contributions from private donors.
41. WFP does *not* accept support from private donors that:
- manufacture or distribute products widely recognized as harmful to public health or against public morals – for example tobacco, alcohol, arms and munitions;
 - abuse human rights;
 - use systematic and sustained forced or compulsory labour or child labour;
 - sell or manufacture anti-personnel mines or components; and
 - operate in countries subject to United Nations sanctions.
42. In evaluating prospective private donors, WFP will take into account the criteria set out in the United Nations Secretary-General's guidelines and the Ten Principles of the Global Compact.
43. Annex II outlines WFP's formal proposal for private-donor selection for cooperation, which is submitted to the Board for approval.
44. WFP will ensure compliance with its donor criteria by:
- requiring private donors to adhere to WFP's *Code of Conduct*, which calls for self-disclosure of any information related to the exclusionary criteria outlined above; and
 - providing for review and standard exit or termination clauses in all agreements with private donors that require their continued observance of WFP's policies.
45. The Executive Director may at his discretion decline contributions from potential private donors deemed to be not in the best interests of WFP.

D. WFP Governance

46. Governance and policy will remain the sole purview of WFP Member States.

E. Maintaining the Integrity of Commercial Relationships

47. The trust of all donors, particularly WFP Member States, is of paramount importance to WFP. Maintaining confidence in the integrity of the procurement process thus becomes as important as selecting private donors.
48. In order to ensure the integrity of WFP's commercial relationships and fairness to all bidders in its procurement process, WFP will take the following measures:
- maintain a "firewall" between its private fundraising and procurement processes to ensure that commercial relationships with private donors will remain independent and will be managed separately;



- inform existing or prospective private donors that they are eligible to bid for commercial contracts, but that their contribution will in no way affect the outcome of the bid;⁹ donor relationships with WFP are to be explicitly excluded by WFP's procurement unit in selecting successful bids;
 - ensure that information relevant to tenders that is possessed by existing or prospective private donors is fully disclosed to all participating bidders;
 - have WFP procurement units collect from the private fundraising team information that has been shared with prospective private donors, including cases where these donors decline to give, but in turn bid for commercial contracts; and
 - require private donors to agree in writing that they will refrain from using any confidential or proprietary information related to WFP's activities for private or commercial gain.
49. The Executive Director may at his discretion exclude a WFP private donor in cases where the donor's advantage is deemed to be such that a fair bidding process is impossible.

F. Risk Management

50. WFP is at an early stage of institutionalizing Enterprise Risk Management (ERM). The process requires each business unit to identify (i) its main risks, (ii) drivers for those risks, (iii) potential consequences and (iv) processes in place to mitigate the risks. This information is used to rank the risks based on their probability and possible severity. The end product is a plan to manage the residual risks. The main strategic risks faced by WFP would be addressed in the context of the Strategic Plan 2006–2009 to be presented to the Board in May 2005. WFP's risk-management policy and strategy are to be presented to the Board in October 2005. Risks associated with WFP's work with the private sector will be dealt with in the framework of ERM.

G. Business Advisory Council

51. WFP will create a Business Advisory Council, a global network of chief executive officers and corporate leaders to discuss management issues with WFP executive management on an advisory basis. The objective is to learn from the expertise and insights of these global business leaders to the benefit of WFP's programmes. WFP is not obliged to accept or act upon any advice or recommendations received through this body. All governance and policy decisions remain the prerogative of the Board.

H. Reporting

52. The Executive Director will report annually to the Board on WFP's work with private donors in a form to be agreed with the Bureau of the Executive Board.

⁹ Discounts on goods and services should not be included as part of a donor's contribution, given the varying pricing policies employed by corporations.



ANNEX I

OECD/DAC LIST OF COUNTRIES BY PER CAPITA GNI AS AT 23 JANUARY 2003

| Least-developed, low-income and lower middle-income countries (per capita GNI less than US\$2,975) | | Upper middle-income and high-income countries (per capita GNI of US\$2,975 or more) | |
|--|-------|---|--------|
| COUNTRY | GNI | COUNTRY | GNI |
| Afghanistan | n/a | Anguilla | n/a |
| Albania | 1 230 | Antigua and Barbuda | n/a |
| Algeria | 1 630 | Argentina | 6 960 |
| Angola | 500 | Australia | 19 770 |
| Armenia | 560 | Austria | 23 940 |
| Azerbaijan | 650 | Bahrain | n/a |
| Bangladesh | 370 | Barbados | n/a |
| Belarus | 1 190 | Belgium | 23 340 |
| Belize | n/a | Botswana | 3 630 |
| Benin | 360 | Brazil | 3 060 |
| Bolivia | 940 | Canada | 21 340 |
| Bhutan | n/a | Chile | 4 350 |
| Bosnia & Herzegovina | n/a | Cook Islands | n/a |
| Burkina Faso | 210 | Costa Rica | 3 950 |
| Burundi | 100 | Croatia | 4 550 |
| Cambodia | 270 | Czech Republic | 5 270 |
| Cameroon | 570 | Denmark | 31 090 |
| Cape Verde | n/a | Dominica | n/a |
| Central African Republic | 270 | Estonia | 3 810 |
| Chad | 200 | Finland | 23 940 |
| China | 890 | France | 22 690 |
| Colombia | 1 910 | Gabon | n/a |
| Comoros | n/a | Germany | 23 700 |
| Congo D.R. | n/a | Greece | 11 780 |
| Congo Rep. | 700 | Grenada | n/a |
| Bulgaria | 1 560 | Hong Kong | 25 920 |
| Côte d'Ivoire | 630 | Hungary | 4 800 |
| Cuba | n/a | Ireland | 23 060 |
| Djibouti | n/a | Israel | 16 710 |
| Dominican Republic | 2 230 | Italy | 19 470 |
| East Timor | n/a | Japan | 35 990 |
| Ecuador | 1 240 | Korea, Rep. | 9 400 |
| Egypt, Arab Rep. | 1 530 | Kuwait | 18 030 |
| El Salvador | 2 050 | Latvia | 3 260 |
| Equatorial Guinea | n/a | Lebanon | 4 010 |



| Least-developed, low-income and lower middle-income countries (per capita GNI less than US\$2,975) | | Upper middle-income and high-income countries (per capita GNI of US\$2,975 or more) | |
|--|-------|---|--------|
| COUNTRY | GNI | COUNTRY | GNI |
| Eritrea | 190 | Lithuania | 3 270 |
| Ethiopia | 100 | Malaysia | 3 640 |
| Fiji | n/a | Mauritius | n/a |
| Gambia | n/a | Mayotte | n/a |
| Georgia | 620 | Mexico | 5 540 |
| Ghana | 290 | Montserrat | n/a |
| Guatemala | 1 670 | Nauru | n/a |
| Guinea | 400 | Netherlands | 24 040 |
| Guinea-Bissau | n/a | New Zealand | 12 380 |
| Guyana | n/a | Norway | 35 530 |
| Haiti | 480 | Oman | n/a |
| Honduras | 900 | Palau Islands | n/a |
| India | 460 | Panama | 3 290 |
| Indonesia | 680 | Poland | 4 240 |
| Iran, Islamic Rep. | 1 750 | Portugal | 10 670 |
| Iraq | n/a | Singapore | 24 740 |
| Jamaica | 2 720 | Slovak Rep. | 3 700 |
| Jordan | 1 750 | Slovenia | 9 780 |
| Kazakhstan | 1 360 | Spain | 14 860 |
| Kiribati | n/a | St Helena | n/a |
| Kenya | 340 | St Kitts & Nevis | n/a |
| Korea, D.R. | n/a | St Lucia | n/a |
| Kyrgyz Rep. | 280 | Sweden | 25 400 |
| Lao PDR | 310 | Switzerland | 36 970 |
| Lesotho | 550 | Trinidad & Tobago | n/a |
| Liberia | n/a | Turks & Caicos Isl. | n/a |
| Macedonia, FYR | 1 690 | United Kingdom | 24 230 |
| Madagascar | 260 | United States | 34 870 |
| Malawi | 170 | Uruguay | 5 670 |
| Maldives | n/a | | |
| Mali | 210 | | |



| Least-developed, low-income and lower middle-income countries (per capita GNI less than US\$2,975) | |
|---|------------|
| COUNTRY | GNI |
| Marshall Islands | n/a |
| Mauritania | 350 |
| Micronesia, Fed. States | n/a |
| Moldova | 380 |
| Mongolia | 400 |
| Morocco | 1 180 |
| Mozambique | 210 |
| Myanmar | n/a |
| Namibia | 1 960 |
| Nepal | 250 |
| Nicaragua | n/a |
| Niger | 170 |
| Nigeria | 290 |
| Niue | n/a |
| Pakistan | 420 |
| Palestinian Territories | n/a |
| Papua New Guinea | 580 |
| Paraguay | 1 300 |
| Peru | 2 000 |
| Philippines | 1 050 |
| Romania | 1 710 |
| Russian Federation | 1 750 |
| Rwanda | 220 |
| Samoa | n/a |
| Serbia & Montenegro | n/a |
| Sierra Leone | 140 |
| Solomon Islands | n/a |
| Somalia | n/a |
| South Africa | 2 900 |
| Sri Lanka | 830 |
| St. Vincent & Grenadines | n/a |
| Sudan | n/a |
| Suriname | n/a |
| Swaziland | n/a |



| Least-developed, low-income and lower middle-income countries (per capita GNI less than US\$2,975) | |
|---|------------|
| COUNTRY | GNI |
| Syrian Arab Rep. | 1 000 |
| Tajikistan | 170 |
| Tanzania | 270 |
| Thailand | 1 970 |
| Togo | 270 |
| Tokelau | n/a |
| Tonga | n/a |
| Tunisia | 2 070 |
| Turkey | 2 540 |
| Turkmenistan | 950 |
| Tuvalu | n/a |
| Uganda | 280 |
| Ukraine | 720 |
| Uzbekistan | 550 |
| Vanuatu | n/a |
| Vietnam | 410 |
| Wallis & Futuna | n/a |
| Yemen, Rep. | 460 |
| Yugoslavia, Fed. Rep. | n/a |
| Zambia | 320 |
| Zimbabwe | 480 |



ANNEX II

WFP Private-Donor Selection for Cooperation

1. The World Food Programme's (WFP) primary aim in cooperating with the private sector is to advance its mission to feed the hungry by sharing the burden of the costs, resources and efforts required. WFP's initiatives seek to leverage the resources, expertise and skills of its private donors to:
 - help more beneficiaries by expanding its resource base;
 - build a stronger institution by decreasing response times, improving operational efficiency, strengthening capacity and enhancing skills to serve beneficiaries better; and
 - multiply awareness and visibility efforts in the fight against global hunger.
2. Given the above, WFP applies stringent selection criteria and rigorous screening before accepting contributions from private donors. WFP only accepts contributions from private donors that have a record of socially responsible behaviour and a positive public and/or product or service image, and that respect human rights and apply responsible labour practices. Private donors eligible for cooperation with WFP must abide by the principles of the United Nations Global Compact.
3. Private donors that engage in or tolerate the following shall be excluded from consideration:
 - manufacture and/or distribution of products widely recognized as harmful to public health or against public morals – for example tobacco, alcohol, arms and munitions;
 - abuse human rights;
 - use systematic and sustained forced or compulsory labour or child labour;
 - sell or manufacture anti-personnel mines or components; and
 - operate in countries subject to United Nations sanctions.
4. WFP may choose not to engage, or may terminate an existing relationship, with private donors whose public image is compromised by past activity or involvement in any of the categories in paragraph 3 or in other areas that may be deemed to be unethical or antithetical to WFP's mandate or that in any way undermine WFP's credibility and reputation. WFP may decline a relationship if a private donation could be seen as compromising its impartiality.
5. Private donors are responsible for disclosing any present or past activity or act in the categories outlined in paragraph 3 before concluding an agreement with WFP. They must refrain from any such exclusionary activity or act during their relationship with WFP.



ANNEX III

WFP Code of Conduct

Private donors¹⁰ agree to adhere to the following WFP Code of Conduct, acknowledging these principles as fundamental to interpreting their rights and obligations and as a guide for their conduct in all forms of cooperation with WFP.

1. Conformity with WFP's Mandate and Policies

- 1.1 Contributions from private donors must help to advance and support WFP's mandate to combat global hunger; they must not be for the purpose of establishing a commercial relationship or for commercial or private gain.
- 1.2 Joint activities will be focused on areas and subjects of mutual interest to WFP and the private donor.
- 1.3 All forms of cooperation with private donors will be consistent with WFP's policies and procedures as set out in the *WFP Private Donor Guidelines*.¹¹

2. Selection for Cooperation

- 2.1 Given the above, WFP applies stringent selection criteria and rigorous screening before accepting contributions from private donors. WFP only accepts contributions from private donors that have a record of socially responsible behaviour and a positive public and/or product or service image, and that respect human rights and apply responsible labour practices. Private donors eligible for cooperation with WFP must abide by the principles of the United Nations Global Compact.
- 2.2 Private donors that engage in or tolerate the following shall be excluded from consideration:
 - manufacture or distribute products widely recognized as harmful to public health or against public morals – for example tobacco, alcohol, arms and munitions;
 - abuse human rights;
 - use systematic and sustained forced or compulsory labour or child labour;
 - sell or manufacture anti-personnel mines or components; and
 - operate in countries subject to United Nations sanctions.
- 2.3 WFP may choose not to engage, or may terminate an existing relationship, with private donors whose public image is compromised by past activity or involvement in any of the categories listed above or in other areas that may be deemed to be unethical or antithetical to WFP's mandate or that in any way undermine WFP's credibility and reputation. WFP may decline a relationship if a private donation could be seen as compromising its impartiality.
- 2.4 Private donors are responsible for disclosing any present or past activity or act in the categories outlined above before concluding an agreement with WFP. They must refrain from any such exclusionary activity or act during their relationship with WFP.

¹⁰ Individuals will be dealt with on a case-by-case basis.

¹¹ WFP has created internal guidelines for the management of private donors, which include the WFP Private Donor Selection for Cooperation and the present Code of Conduct.



3. Non-exclusivity, Non-preferential Treatment, Impartiality

- 3.1 WFP does not grant exclusivity to any private donor. Cooperation with a private donor does not imply WFP's endorsement or sponsorship of that donor's goods or services, nor does it imply any preference for, or promotion of, that donor's goods or services in the market place.
- 3.2 Cooperation with WFP does not mean that the private donor has a role in WFP's decision-making processes or a right to influence its policies.
- 3.3 Joint activities should avoid compromising or appearing to compromise the integrity and independence of WFP.
- 3.4 All commercial transactions remain subject to WFP's procurement policies and Financial Regulations.

4. Transparency and Accountability

- 4.1 Information on agreed activities will be publicly available, recorded in WFP's financial statements and reported to WFP's Executive Board.
- 4.2 Private donors must respect the confidentiality of information from WFP. Information obtained by private donors will not be used for commercial interest.
- 4.3 Arrangements between WFP and private donors will be designed and implemented in a manner that ensures clear and agreed responsibilities and accountability by all parties.
- 4.4 Under no circumstances will a private donor or any of its affiliates use confidential or proprietary information pertaining to WFP or its activities for private or commercial gain where such information has been acquired as a result of its special relationship with WFP.

5. Sufficient Resources, Time and Capabilities

- 5.1 Private donors agreed to allocate sufficient time, resources and capabilities to carry out agreed activities.
- 5.2 An agreed monitoring and evaluation mechanism for joint projects will be built into the project design.

6. WFP Emblem and Intellectual Property

- 6.1 The WFP name and emblem may be used only in a manner agreed in writing by the parties in accordance with the terms of the partnership. Such agreed use shall be permitted for the term of the agreement. The use of the WFP name or emblem does not imply WFP's endorsement of the private donor, its products or services.
- 6.2 There will be prior consultation and agreement between WFP and the private donor regarding the ownership of copyright, patent or other intellectual property rights generated through the proposed activities.

7. Acknowledgement

- 7.1 As a privilege of cooperation, private donors will be acknowledged for their contribution in a way that shows WFP's appreciation for the support provided.
- 7.2 The parties must agree in writing prior to undertaking any communications or publicity initiatives concerning their relationship with WFP.

8. Agreements

- 8.1 For all initiatives, the parties involved will enter into a written agreement that stipulates the terms and conditions under which all activities shall be conducted.



ACRONYMS USED IN THE DOCUMENT

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| BPR | business process review |
| DAC | Development Assistance Committee |
| EMOP | emergency operation |
| ERM | enterprise risk management |
| FAO | Food and Agriculture Organization of the United Nations |
| FCR | full-cost recovery |
| GNI | gross national income |
| ISC | indirect support costs |
| LTSH | landside transport, storage and handling |
| ODOC | other direct operating costs |
| OECD | Organisation for Economic Co-operation and Development |
| PSA | Programme Support and Administrative (budget) |
| UNDP | United Nations Development Programme |
| UNHCR | Office of the United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| WTO | World Trade Organization |

