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Programme
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Programa
Mundial
de Alimentos

**Executive Board
Annual Session**

Rome, 4–8 June 2012

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

*For information**

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Distribution: GENERAL
WFP/EB.A/2012/6-I/1
20 April 2012
ORIGINAL: ENGLISH

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

* 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

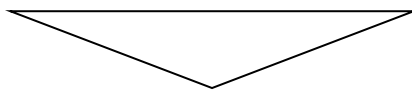
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

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

DRAFT DECISION*



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.

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
Norwegian Refugee Council	Asia Bureau	162 059	11 344
	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 - Red R Australia	Asia Regional Bureau	91 965	6 438
	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\$)

Donor	Recipient country/region	Value	ISC waived
Swedish Civil Contingencies Agency	Bolivia, Plurinational State of	122 910	8 604
	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 Development and Cooperation	Bolivia, Plurinational State of	130 717	9 150
	Chad	145 560	10 189
	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