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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

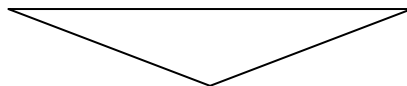
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

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

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

* Financial Reporting Service

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/2011/6-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

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 in-kind contributions to cover direct support costs (DSC) (General Rule XIII.4 (f)).

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

2. Under General Rule XII.4, 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 2010, US\$39.9 million unrestricted cash was available (US\$43 million in 2009), of which US\$34.7 million (US\$35.4 million in 2009) or 87 percent (82 percent in 2009) was utilized to purchase food from developing countries. The amount used for purchases from developed countries was US\$5.2 million (US\$7.5 million in 2009) or 13 percent (18 percent in 2009). Details are shown in Table 1.
4. Further information on purchases of food from developing countries from all cash resources and for all programme categories is included in the Annual Performance Report (APR) (WFP/EB.A/2011/4).

TABLE 1: USE OF UNRESTRICTED CASH RESOURCES FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 IN 2010—DEVELOPMENT PROGRAMME CATEGORY (US\$)		
Purchased from	Developing countries	Developed countries
Bangladesh	2 419 131	
Belgium		570 609
Benin	311 971	
Bolivia, Plurinational State of	327 185	
Burkina Faso	2 409 530	
Cambodia	628 123	
Cameroon	253 740	
Canada		677 335
Denmark		96 828
Egypt	968 588	
France		540 227
Guatemala	764 779	
India	1 793 131	
Indonesia	1 839 988	
Italy		520 636
Lao People's Dem. Rep.	454 619	
Madagascar	239 646	
Malawi	2 160 521	
Malaysia	3 206 812	
Mali	163 035	
Nepal	2 927 913	
Netherlands		91 600
Pakistan	1 297 782	
Russian Federation		890 427
Senegal	20 549	
South Africa	3 551 830	
Sri Lanka	44 667	
Sudan	4 597	
Turkey		946 568
Uganda	277 874	
Ukraine	5 101 117	
United Republic of Tanzania	658 644	
United States of America		879 096
Viet Nam	2 261	
Zambia	2 867 561	
Total	34 695 592	5 213 327

TABLE 1: USE OF UNRESTRICTED CASH RESOURCES FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 IN 2010—DEVELOPMENT PROGRAMME CATEGORY (US\$) (continued)		
Purchased from	Developing countries	Developed countries
Grand Total 2010	39 908 919	
Percentage 2010	87	13
Total 2009	35 433 969	7 543 381
Grand Total 2009	42 977 350	
Percentage 2009	82	18

Contributions from Governments of Developing Countries, Countries with Economies in Transition and Other Non-Traditional Donors

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 (e). In 2010, the value of such contributions was US\$40.2 million under twinning arrangements (US\$60.8 million in 2009). In-kind commodities were matched with US\$21.3 million of cash contributions from other donors (US\$35.6 million in 2009) and US\$11.8 million from the Emerging Donor Matching Fund (EDMF) (US\$5.9 million in 2009). No ISC were waived on these contributions in 2009 and 2010.

TABLE 2: CONTRIBUTIONS MADE IN 2010 UNDER GENERAL RULE XIII.4 (e) (US\$)			
Donor	Commodity/service value	Other costs and ISC covered by	
		Other donor	EDMF*
Algeria	1 030 825	41 243	1 000 000
	1 030 825	1 036 963	
	1 924 150	864 939	
	2 061 650	1 408 012	
	2 099 150	820 693	
	1 030 825	576 342	
	1 030 825	787 948	
	1 961 650	1 180 419	
Bangladesh	1 166 000	935 095	
	1 129 960	906 207	
	984 316		1 000 000
Cuba	607 500		998 827
	517 500		505 427
Iraq	1 640 000	715 339	959 649

TABLE 2: CONTRIBUTIONS MADE IN 2010 UNDER GENERAL RULE XIII.4 (e) (US\$) (continued)			
Donor	Commodity/service value	Other costs and ISC covered by	
		Other donor	EDMF*
Kenya	4 581 163	973 425	426 603
	1 198 195		849 263
Malawi	6 105 925	900 000	3 798 231
Saudi Arabia	456	1 737	
Sudan	2 675 179	934 579	215 663
Thailand	601 666	719 942	
	644 769	1 000 000	
	644 769	1 000 000	
	625 989	970 874	
	3 582 047	5 555 556	
	1 290 000		2 000 718
TOTAL 2010	40 165 333	21 329 311	11 754 380
TOTAL 2009	60 762 879	35 568 104	5 852 444

*The EDMF financed the associated costs of these contributions.

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

6. WFP's operations were augmented through in-kind personnel services provided by standby partners. In 2010, total contributions received for in-kind personnel was US\$18.8 million compared to US\$9.0 million in 2009. The total value of waivers of ISC granted in 2010 was US\$1.3 million compared to US\$634,255 in 2009. Table 3 provides the details by donor agency, recipient country, value and ISC waived.

TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) IN 2010 (US\$)			
Donor	Recipient country	Value	ISC waived
CANADEM (Canada's Civilian Reserve)	Haiti	142 920	10 004
Emergency Management Agency (Denmark)	Haiti	915 906	64 113
Danish Refugee Council	Haiti	144 508	10 116
	Nepal	71 968	5 038
	Somalia	74 790	5 235
	Sudan	80 367	5 626
	Uganda	85 272	5 969
Estonian Rescue Services	Haiti	155 836	10 909

TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) IN 2010 (US\$) (continued)

Donor	Recipient country	Value	ISC waived
Crisis Management Centre (Finland)	Haiti	1 427	100
Irish Aid	Ethiopia	584 142	40 890
	Haiti	278 270	19 479
	Headquarters	132 880	9 302
	Sudan	66 240	4 637
Directorate for Civil Protection and Emergency Planning (Norway)	Haiti	1 986 553	139 059
Norwegian Refugee Council	Central African Rep.	93 150	6 521
	Dem. Rep. of the Congo (DRC)	51 587	3 611
	Dem. People's Rep. of Korea	136 440	9 551
	Ethiopia	237 986	16 659
	Haiti	417 489	29 224
	Headquarters	889 889	62 292
	Middle East, Central Asia and Eastern Europe	145 080	10 156
	Sudan	111 517	7 806
	Uganda	107 712	7 540
	Yemen	796 140	55 730
Private Donor - United States of America	Haiti	107 190	7 503
Private Donor - Netherlands	Ghana	70 078	4 905
	Headquarters	337 242	23 607
	Mozambique	44 509	3 116
	Nicaragua	41 765	2 924
	Philippines	82 803	5 796
	Zambia	149 195	10 444
Private Donor - Australia	Pakistan	392 440	27 471
	Somalia	689 745	48 282
Private Donor - Sweden	Haiti	77 018	5 391

TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) IN 2010 (US\$) (continued)

Donor	Recipient country	Value	ISC waived
Swedish Civil Contingencies Agency	Chad	25 027	1 752
	DRC	1 050 140	73 510
	Ethiopia	27 400	1 918
	Haiti	3 406 118	238 428
	Indonesia	8 848	619
	Latin America and the Caribbean	158 288	11 080
	Mozambique	103 728	7 261
	Somalia	63 156	4 421
	Sudan	127 092	8 896
	Uganda	1 544 250	108 098
Swiss Agency for Development and Cooperation	Bolivia, Plurinational State of	168 480	11 794
	DRC	260 270	18 219
	Haiti	309 660	21 676
	Headquarters	339 578	23 770
	Myanmar	12 293	861
	Pakistan	24 840	1 739
	Sri Lanka	148 080	10 366
	Sudan	127 595	8 932
	Uganda	1 007 106	70 497
The German Federal Agency for Technical Relief	Haiti	22 620	1 583
Department for International Development (United Kingdom)	Haiti	105 212	7 365
	Pakistan	124 224	8 696
TOTAL 2010		18 864 058	1 320 484
TOTAL 2009		9 060 791	634 255