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de Alimentos

**Executive Board  
Annual Session**

**Rome, 7–11 June 2010**

# RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

*For information\**

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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**

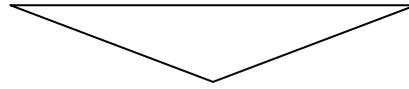
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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/2010/6-J/1).

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\* 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 in Developing Countries (General Rule XII.4)

- 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. While said General Rule covers utilization of unrestricted cash resources for programme category projects, this document reports only on the use of unrestricted cash resources for the development (DEV) programme category; it provides a snapshot of the use of unrestricted cash contributions to purchase commodities in developing countries – and in some instances in developed countries – to meet operational needs under the development activities.
- In 2009, US\$43.0 million unrestricted cash was available (US\$135.8 million in 2008), of which US\$35.4 million (US\$79.0 million in 2008) or 82 percent (58 percent in 2008) was utilized to purchase commodities from developing countries. The amount used for purchases from developed countries in 2009 was US\$7.54 million (US\$56.8 million in 2008) or 18 percent in 2009 (42 percent in 2008). Details are shown in Table 1.
- In 2009, WFP procured 2.6 million mt of food valued at US\$965.2 million in 92 countries, of which 75 countries were developing countries. Of this, 80 percent, valued at US\$771.7 million was purchased in developing countries; 18 percent, valued at US\$193.5 million was purchased in developed countries. Additional 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).

<b>TABLE 1: REPORT ON THE USE OF UNRESTRICTED CASH RESOURCES IN 2009 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 DEV PROGRAMME CATEGORY ONLY (US\$)</b>		
<b>Purchased from</b>	<b>Developing countries</b>	<b>Developed countries</b>
Argentina	235 730	
Bangladesh	238 589	
Belgium		2 428 278
Benin	190 387	
Bolivia (Plurinational State of)	195 222	
Burkina Faso	1 342 372	
Cambodia	478 896	

<b>TABLE 1: REPORT ON THE USE OF UNRESTRICTED CASH RESOURCES IN 2009 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 DEV PROGRAMME CATEGORY ONLY (US\$)</b>		
<b>Purchased from</b>	<b>Developing countries</b>	<b>Developed countries</b>
Cameroon	326 415	
Canada		1 605 562
China	366 494	
Colombia	4 200	
Denmark		382 910
Egypt	1 176 110	
France		538 372
Ghana	1 082 533	
Guatemala	364 745	
Honduras	66 849	
India	4 903 811	
Indonesia	538 512	
Italy		1 402 522
Japan		961 263
Kenya	318 544	
Lao People's Dem. Rep.	140 366	
Lesotho	250 143	
Madagascar	162 472	
Malawi	1 304 202	
Malaysia	5 200 671	
Mexico	12 495	
Mozambique	616 150	
Namibia	14 244	
Nepal	2 920 338	
Netherlands		30 153
Pakistan	1 192 316	
Peru	80 272	
Russian Federation		194 321
Rwanda	72 590	
Senegal	37 004	
South Africa	2 421 395	
Sudan	9 831	
Syrian Arab Republic	377 754	
Thailand	109 440	
Turkey	2 745 552	
Uganda	545 322	
Ukraine	2 910 983	

<b>TABLE 1: REPORT ON THE USE OF UNRESTRICTED CASH RESOURCES IN 2009 FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 DEV PROGRAMME CATEGORY ONLY (US\$)</b>		
<b>Purchased from</b>	<b>Developing countries</b>	<b>Developed countries</b>
United Rep. of Tanzania	982 825	
Uruguay	24 923	
Viet Nam	55 044	
Zambia	1 418 227	
<b>Total</b>	<b>35 433 969</b>	<b>7 543 381</b>
<b>Grand Total 2009</b>	<b>42 977 350</b>	
<b>Percentage 2009</b>	<b>82</b>	<b>18</b>
<b>Total 2008</b>	<b>79 009 742</b>	<b>56 763 972</b>
<b>Grand Total 2008</b>	<b>135 773 714</b>	
<b>Percentage 2008</b>	<b>58</b>	<b>42</b>

### **Contributions or Services from Governments of Developing Countries, Countries with Economics in Transition, and Other Non-traditional Donors (General Rule XIII.4 (e))**

5. Many governments of developing countries, countries with economies in transition, and other non-traditional donors have expanded their support to WFP operations through in-kind contributions. In 2009, the value of contributions of commodities or services 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\$60,762,879 under twinning arrangements (US\$20,895,928 in 2008). In-kind contributions of commodities were matched with US\$35,568,104 of cash contributions from other donors (US\$12,208,709 in 2008) and US\$5,852,444 from the Emerging Donor Matching Fund (EDMF) (US\$2,906,344 in 2008). No ISC were waived on these contributions in 2009. (ISC waived in 2008 were US\$21,000).

<b>TABLE 2: CONTRIBUTIONS MADE UNDER GENERAL RULE XIII.4 (e) IN 2009 (US\$)</b>			
<b>Donor</b>	<b>Commodity/service value</b>	<b>Other costs and ISC covered by</b>	
		<b>Other donor</b>	<b>EDMF*</b>
Bangladesh	4 469 509	3 529 200	
Bangladesh	724 510	572 085	
Brazil	1 680 000	644 247	338 660
Brazil	4 320 000	467 285	521 495
Brazil	9 000 000	6 084 291	1 180 938
Burkina Faso	20 398	8 469	
Cuba	360 000		350 061
Cuba	765 000		379 642
Egypt	49 042	59 614	

<b>TABLE 2: CONTRIBUTIONS MADE UNDER GENERAL RULE XIII.4 (e) IN 2009 (US\$)</b>			
<b>Donor</b>	<b>Commodity/service value</b>	<b>Other costs and ISC covered by</b>	
		<b>Other donor</b>	<b>EDMF*</b>
Jordan	706 000	73 001	
Kenya	3 224 520	1 000 120	1 771 460
Kenya	3 759 270	2 563 848	
Kenya	2 416 591	1 654 430	
Malawi	1 956 654		1 310 188
Pakistan	3 436 130	2 550 484	
Pakistan	1 552 000	1 096 946	
Pakistan	2 841 280	1 953 922	
Pakistan	19 382 000	13 282 900	
Philippines	99 975	27 262	
<b>Total 2009</b>	<b>60 762 879</b>	<b>35 568 104</b>	<b>5 852 444</b>
<b>Total 2008</b>	<b>20 895 928</b>	<b>12 208 709</b>	<b>2 906 344</b>

\*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 (f))**

6. WFP's operations were augmented through in-kind personnel services provided by standby partners. In 2009, total contributions received for in-kind personnel was US\$9,060,791, of which ISC totalling US\$634,255 were waived by the Executive Director (it was US\$6,812,801 of contributions and US\$476,896 of waivers in 2008). Table 3 provides the details by donor, recipient country, value and ISC waived.

<b>TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) IN 2009 (US\$)</b>			
<b>Donor</b>	<b>Recipient country</b>	<b>Value</b>	<b>ISC waived</b>
Danish Refugee Council	Haiti	65 772	4 604
Danish Refugee Council	Ethiopia	7 124	499
Danish Refugee Council	Zimbabwe	134 892	9 442
Danish Refugee Council	Somalia	110 053	7 704
Danish Refugee Council	Sudan (Khartoum)	38 556	2 699
Danish Refugee Council	Somalia	48 766	3 414
Danish Refugee Council	Somalia	134 461	9 412
Danish Refugee Council	Sudan (Khartoum)	62 726	4 391
Danish Refugee Council	Uganda	111 040	7 773
Danish Refugee Council	Sudan (Khartoum)	1 746	122
Irish Aid	Dem. Rep. of the Congo (Kinshasa)	65 751	4 603

**TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) IN 2009 (US\$)**

<b>Donor</b>	<b>Recipient country</b>	<b>Value</b>	<b>ISC waived</b>
Irish Aid	DPR Korea	60 965	4 268
Irish Aid	Headquarters	98 696	6 909
Irish Aid	Sudan (Khartoum)	49 504	3 465
Irish Aid	Sudan (Khartoum)	119 179	8 343
Norwegian Refugee Council	Somalia	445 822	31 208
Norwegian Refugee Council	Haiti	78 336	5 484
Norwegian Refugee Council	Bangladesh	65 268	4 569
Norwegian Refugee Council	Ethiopia	47 676	3 337
Norwegian Refugee Council	Sudan (Khartoum)	103 348	7 234
Norwegian Refugee Council	Headquarters	163 832	11 468
Norwegian Refugee Council	Zimbabwe	87 472	6 123
Norwegian Refugee Council	Yemen	52 596	3 682
Norwegian Refugee Council	Iraq	83 721	5 860
Norwegian Refugee Council	Headquarters	4 566	320
Norwegian Refugee Council	Dem. Rep. of the Congo (Kinshasa)	32 627	2 284
Norwegian Refugee Council	Bangladesh	45 270	3 169
Norwegian Refugee Council	Central Africa Rep.	33 400	2 338
Norwegian Refugee Council	DPR Korea	114 752	8 033
Norwegian Refugee Council	Dem. Rep. of the Congo (Kinshasa)	25 467	1 783
Norwegian Refugee Council	Dem. Rep. of the Congo (Kinshasa)	58 782	4 115
Norwegian Refugee Council	Ethiopia	158 006	11 060
Norwegian Refugee Council	Iraq	147 357	10 315
Norwegian Refugee Council	Philippines	56 880	3 982
Norwegian Refugee Council	Sudan (Khartoum)	225 767	15 804
Norwegian Refugee Council	Uganda	25 678	1 797
Norwegian Refugee Council	Yemen	145 790	10 205
Norwegian Refugee Council	Zimbabwe	17 627	1 234
Norwegian Refugee Council	Headquarters	180 960	12 667
Private Donor- iMMAP USA	Ethiopia	68 864	4 820
Private Donor- iMMAP USA	Ethiopia	103 399	7 238
Private Donor- Netherlands	Egypt	88 378	6 186
Private Donor- Netherlands	Kenya	166 582	11 661
Private Donor- Netherlands	Ghana	71 674	5 017
Private Donor- Netherlands	Philippines	47 274	3 309
Private Donor- Netherlands	Headquarters	60 360	4 225
Private Donor- Netherlands	Nicaragua	39 430	2 760

<b>TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) IN 2009 (US\$)</b>			
<b>Donor</b>	<b>Recipient country</b>	<b>Value</b>	<b>ISC waived</b>
Private Donor- Red R Australia	Bangladesh	41 344	2 894
Private Donor- Red R Australia	Ethiopia	48 224	3 376
Private Donor- Red R Australia	Myanmar	72 760	5 093
Private Donor- Red R Australia	Philippines	152 117	10 648
Private Donor- Red R Australia	Somalia	67 680	4 738
Private Donor- Red R Australia	Sudan (Khartoum)	187 121	13 098
Private Donor- Red R Australia	Ethiopia	49 868	3 491
Private Donor- Red R Australia	Haiti	67 340	4 714
Private Donor- Red R Australia	Philippines	153 300	10 731
Private Donor- Red R Australia	Somalia	68 432	4 790
Private Donor- Red R Australia	Sri Lanka	64 701	4 529
Private Donor- Red R Australia	Sudan (Khartoum)	24 536	1 718
Swedish Civil Contingencies Agency	Zimbabwe	40 896	2 863
Swedish Civil Contingencies Agency	Headquarters	153 720	10 760
Swedish Civil Contingencies Agency	Haiti	40 068	2 805
Swedish Civil Contingencies Agency	Sri Lanka	160 446	11 231
Swedish Civil Contingencies Agency	Dem. Rep. of the Congo (Kinshasa)	42 480	2 974
Swedish Civil Contingencies Agency	Occupied Palestinian Territory	220 978	15 468
Swedish Civil Contingencies Agency	Dem. Rep. of the Congo (Kinshasa)	107 050	7 494
Swedish Civil Contingencies Agency	Dem. Rep. of the Congo (Kinshasa)	33 796	2 366
Swedish Civil Contingencies Agency	Somalia	50 084	3 506
Swedish Civil Contingencies Agency	Sudan (Khartoum)	38 080	2 666
Swedish Civil Contingencies Agency	Ethiopia	23 660	1 656
Swedish Civil Contingencies Agency	Chad	50 274	3 519
Swedish Civil Contingencies Agency	Dem. Rep. of the Congo (Kinshasa)	45 900	3 213
Swedish Civil Contingencies Agency	Dem. Rep. of the Congo (Kinshasa)	35 457	2 482
Swedish Civil Contingencies Agency	Ethiopia	114 714	8 030
Swedish Civil Contingencies Agency	Indonesia	44 506	3 115
Swedish Civil Contingencies Agency	Philippines	22 041	1 543
Swedish Civil Contingencies Agency	Headquarters	63 669	4 457
Swedish Civil Contingencies Agency	Dem. Rep. of the Congo (Kinshasa)	298 736	20 912

<b>TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (f) IN 2009 (US\$)</b>			
<b>Donor</b>	<b>Recipient country</b>	<b>Value</b>	<b>ISC waived</b>
Swedish Civil Contingencies Agency	Dem. Rep. of the Congo (Kinshasa)	115 146	8 060
Swedish Civil Contingencies Agency	Occupied Palestinian Territory	38 397	2 688
Swedish Civil Contingencies Agency	Somalia	10 076	705
Swedish Civil Contingencies Agency	Sudan (Khartoum)	109 860	7 690
Swedish Civil Contingencies Agency	Sri Lanka	77 836	5 449
Swiss Agency for Development and Cooperation	Bolivia (Plurinational State of)	17 334	1 213
Swiss Agency for Development and Cooperation	Dem. Rep. of the Congo (Kinshasa)	100 804	7 056
Swiss Agency for Development and Cooperation	Haiti	175 644	12 295
Swiss Agency for Development and Cooperation	Myanmar	88 740	6 212
Swiss Agency for Development and Cooperation	Occupied Palestinian Territory	30 920	2 164
Swiss Agency for Development and Cooperation	Sri Lanka	55 692	3 898
Swiss Agency for Development and Cooperation	Sudan (Khartoum)	99 104	6 937
Swiss Agency for Development and Cooperation	Headquarters	209 625	14 674
Swiss Agency for Development and Cooperation	Bolivia (Plurinational State of)	73 872	5 171
Swiss Agency for Development and Cooperation	Dem. Rep. of the Congo (Kinshasa)	200 274	14 019
Swiss Agency for Development and Cooperation	Haiti	163 260	11 428
Swiss Agency for Development and Cooperation	Myanmar	123 480	8 644
Swiss Agency for Development and Cooperation	Sri Lanka	75 627	5 294
Swiss Agency for Development and Cooperation	Sudan (Khartoum)	134 329	9 403
Swiss Agency for Development and Cooperation	Zimbabwe	40 982	2 869
Swiss Agency for Development and Cooperation	Headquarters	12 016	841
Swiss Agency for Development and Cooperation	Headquarters	46 498	3 255
Swiss Agency for Development and Cooperation	Headquarters	321 105	22 477
<b>Total 2009</b>		<b>9 060 791</b>	<b>634 255</b>
<b>Total 2008</b>		<b>6 812 801</b>	<b>476 896</b>