

May 2013



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para la
Alimentación y la
Agricultura

FINANCE COMMITTEE

Hundred and Forty-ninth Session

Rome, 27 - 28 May 2013

**Report of the Executive Director on the Utilization of Contributions and
Waivers of Costs (General Rules XII.4 and XIII.4 (h))**

Queries on the substantive content of this document may be addressed to:

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EXECUTIVE SUMMARY

- Information is provided to the Finance Committee and the Executive 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 for contributions in kind to cover direct support costs (General Rule XIII.4 (g)).

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to take note of this information document.

Draft Advice

- **In accordance with Article XIV of the General Regulations of WFP, the Finance Committee takes note of the “Report of the Executive Director on the Utilization of Contributions and Waivers of Costs (General Rule XII.4 and XIII.4 (h)).”**

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de Alimentos

**Executive Board
Annual Session**

Rome, 3–6 June 2013

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 (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.

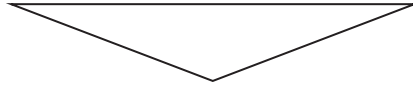
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Director, RMF*: Mr S. O'Brien tel.: 066513-2682

Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645/2558).

* Finance and Treasury Division

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/2013/6-J/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 2012, US\$40.8 million unrestricted cash was available (US\$36.4 million in 2011), of which US\$33.9 million (US\$29.2 million in 2011), or 83 percent (80 percent in 2011), was utilized to purchase food from developing countries. The amount used for purchases from developed countries was US\$6.9 million (US\$7.2 million in 2011), or 17 percent (20 percent in 2011). 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 for 2012 (WFP/EB.A/2013/4).

TABLE 1: USE OF UNRESTRICTED CASH RESOURCES FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 IN 2012 DEVELOPMENT PROGRAMME CATEGORY (US\$)		
Purchased from	Developing countries	Developed countries
Argentina	422 543	-
Bangladesh	4 560 067	-
Belgium	-	2 842 614
Benin	577 899	-
Bolivia, Plurinational State of	248 870	-
Brazil	575 273	-
Burkina Faso	443 277	-
Cambodia	2 172 657	-
Canada	-	253 066
China	749 455	-
Egypt	543 808	-
Ethiopia	1 203 453	-
France	-	419 787
Guatemala	348 327	-
Honduras	140 108	-
India	1 005 426	-
Indonesia	3 115 764	-
Italy	-	820 479
Japan	-	493 173
Kazakhstan	2 338 921	-
Kenya	278 642	-
Kyrgyzstan	314 320	-
Lao Peoples Dem. Republic	37 023	-
Lesotho	254 531	-
Madagascar	120 572	-
Malawi	819 988	-
Mali	345 958	-
Mexico	20 140	-
Nepal	2 026 350	-
Netherlands	-	48 507
Pakistan	677 160	-
Russian Federation	-	1 988 320
Rwanda	353 329	-
Senegal	19 463	-
South Africa	2 654 865	-
Tajikistan	24 224	-
United Republic of Tanzania	3 652 756	-

TABLE 1: USE OF UNRESTRICTED CASH RESOURCES FOR THE PURCHASE OF COMMODITIES UNDER GENERAL RULE XII.4 IN 2012 DEVELOPMENT PROGRAMME CATEGORY (US\$)		
Purchased from	Developing countries	Developed countries
Togo	256 846	-
Turkey	1 640 436	-
Uganda	216 029	-
Ukraine	341 270	-
Viet Nam	409 305	-
Yemen	736 075	-
Zambia	275 197	-
Total 2012	33 920 330	6 865 946
GRAND TOTAL 2012	40 786 276	
Percentage 2012	83	17
Total 2011	29 234 617	7 180 182
GRAND TOTAL 2011	36 414 798	
Percentage 2011	80	20

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 2012, the value of such contributions was US\$147.5 million under twinning arrangements (US\$114.8 million in 2011). In-kind commodities and services were matched with US\$116.1 million of cash contributions from other donors (US\$112.6 million in 2011) and US\$9.7 million from the Emerging Donor Matching Fund (EDMF) (US\$6.3 million in 2011). There was no ISC waived on these contributions in 2012 and the value of ISC waived in 2011 was US\$0.31 million. Details are shown in Table 2.

TABLE 2: CONTRIBUTIONS MADE IN 2012 UNDER GENERAL RULE XIII.4 (f) (US\$)				
Donor	Commodity/service value	Other costs and ISC covered by		ISC waived
		Other donor	EDMF*	
Angola	1 566 280	462 281	664 712	-
Bangladesh	5 980 863	1 971 460	1 000 000	-
Brazil	73 876 442	76 321 034	-	-
Cameroon	992 442	-	780 860	-
Côte d'Ivoire	535 070	-	561 007	-
Cuba	717 089	725 346	-	-
Democratic Republic of the Congo	124 000	-	188 587	-
Kenya	2 558 962	784 164	-	-
Malawi	15 509 974	8 610 338	967 617	-
Mozambique	105 944	-	49 220	-
Pakistan	22 162 120	16 821 187	1 000 000	-
Philippines	6 780 151	1 952 655	2 083 742	-
Senegal	2 341 700	1 090 470	1 000 000	-
South Africa	1 967 276	-	-	-
Sri Lanka	1 475 934	1 288 494	132 263	-
United Republic of Tanzania	233 082	-	286 043	-
Zambia	651 314	74 949	1 000 000	-
Zimbabwe	9 965 880	5 965 134	-	-
TOTAL 2012	147 544 524	116 067 512	9 714 049	-
TOTAL 2011	114 759 033	112 522 537	6 300 287	306 074

* 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 2012, total contributions received for in-kind personnel was US\$13.7 million compared with US\$20.9 million in 2011. The total value of waivers of ISC granted in 2012 was US\$1 million compared with US\$1.4 million in 2011. Table 3 provides the details by donor agency, recipient country or region, value and ISC waived.

TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (g) in 2012 (US\$)

Donor	Recipient country/region	Value	ISC waived
Danish Refugee Council	Chad	7 254	508
	Niger	54 059	3 784
	OMC	226 367	15 846
France Expertise Internationale	Central African Republic	254 354	17 805
	Niger	106 514	7 456
Federal Agency for Technical Relief (Germany)	OMC	83 444	5 841
Iceland Crisis Response Unit	Malawi	144 506	10 115
Irish Aid	Cameroon	63 192	4 423
	Gambia	71 575	5 010
	Liberia	23 730	1 661
	OMD	90 194	6 314
	OMN	280 360	19 625
	South Sudan	67 343	4 714
	Zimbabwe	22 290	1 560
Norwegian Refugee Council	Chad	192 810	13 497
	Côte d'Ivoire	207 527	14 527
	Democratic Republic of the Congo	145 146	10 160
	Ethiopia	172 365	12 066
	Guinea	123 103	8 617
	Iraq	150 047	10 503
	Liberia	47 037	3 293
	OMB	69 745	4 882
	OMC	51 659	3 616
	OMD	62 399	4 368
	OMJ	49 783	3 485
	Niger	48 494	3 395
	Pakistan	54 879	3 842
	Somalia	145 822	10 208
	South Sudan	120 046	8 403
	Sri Lanka	33 279	2 330
	Sudan	132 490	9 274
	Syrian Arab Republic	27 328	1 913
WFP	686 166	48 032	
Yemen	234 727	16 431	

TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (g) in 2012 (US\$)

Donor	Recipient country/region	Value	ISC waived
Swedish Civil Contingencies Agency	Bangladesh	23 520	1 646
	Cameroon	131 150	9 181
	Central African Republic	262 178	18 352
	Democratic People's Republic of Korea	111 898	7 833
	Democratic Republic of the Congo	642 231	44 956
	Ethiopia	812 911	56 904
	Haiti	603 741	42 262
	Liberia	49 470	3 463
	OMC	54 242	3 797
	OMD	180 517	12 636
	OMN	206 581	14 461
	State of Palestine	231 343	16 194
	South Sudan	395 322	27 673
	Sudan	43 919	3 074
	Uganda	258 540	18 098
WFP	627 839	43 949	
Swiss Agency for Development and Cooperation	Bolivia, Plurinational State of	4 386	307
	Chad	87 449	6 121
	Côte d'Ivoire	143 169	10 022
	Liberia	591 964	41 437
	Mozambique	303 248	21 227
	OMC	12 496	875
	OMD	734 548	51 418
	OMN	49 475	3 463
	OMP	111 502	7 805
	Sudan	424 371	29 706
	Uganda	24 024	1 682
Private donor – Ericsson	Mozambique	32 414	2 269
	United Republic of Tanzania	33 748	2 362

TABLE 3: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DSC UNDER GENERAL RULE XIII.4 (g) in 2012 (US\$)

Donor	Recipient country/region	Value	ISC waived
Private donor – RedR Australia	Bangladesh	122 974	8 608
	Burkina Faso	69 579	4 871
	Ethiopia	263 885	18 472
	Haiti	135 205	9 464
	Liberia	111 106	7 777
	Niger	80 564	5 639
	OMB	245 863	17 210
	OMC	154 978	10 848
	OMD	122 835	8 598
	OMN	166 654	11 666
	Pakistan	152 089	10 646
	South Sudan	338 600	23 702
	Sri Lanka	34 290	2 400
	WFP	267 004	18 690
TOTAL 2012		13 703 860	959 270
TOTAL 2011		20 854 476	1 459 813

Note: OMB = Regional Bureau for Asia; OMC = Regional Bureau for Middle East and Central Asia; OMD = Regional Bureau for West Africa; OMJ = Regional Bureau for Southern Africa; OMN = Regional Bureau for Central and East Africa; OMP = Regional Bureau for Latin America and the Caribbean

ACRONYMS USED IN THE DOCUMENT

DSC	direct support costs
EDMF	Emerging Donor Matching Fund
ISC	indirect support costs