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منظمة
الغذية والزراعة
للأمم المتحدة

FINANCE COMMITTEE

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**Report of the Executive Director on contributions, reductions and waivers
of costs under General Rule XIII.4 (f) in 2021**

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EXECUTIVE SUMMARY

- In accordance with General Rule XIII.4 (f), this report is submitted to the Executive Board for information and provides a summary of contributions that do not achieve full cost recovery received from governments of developing countries, countries with economies in transition and other non-traditional donors (General Rule XIII.4 (c)); contributions with reductions or waivers of indirect support costs (ISC) and, where applicable, direct support costs of an activity or activities (General Rule XIII.4 (d)) and; contributions from governments of developing countries and countries with economies in transition with a reduced indirect support cost rate as set by the Board (General Rule XIII.4 (e))

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- This document is provided for information.



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Report of the Executive Director on contributions, reductions and waivers of costs under General Rule XIII.4 (f) in 2021

Introduction

1. In accordance with General Rule XIII.4 (f), this report is submitted to the Executive Board for information and provides a summary of contributions that do not achieve full cost recovery received from governments of developing countries, countries with economies in transition and other non-traditional donors (General Rule XIII.4 (c)); contributions with reductions or waivers of indirect support costs (ISC) and, where applicable, direct support costs of an activity or activities (General Rule XIII.4 (d)) and; contributions from governments of developing countries and countries with economies in transition with a reduced indirect support cost rate as set by the Board (General Rule XIII.4 (e));

Contributions from governments of developing countries, governments of countries with economies in transition, and other non-traditional donors (General Rule XIII.4 (c))

2. Many governments of developing countries and countries with economies in transition, and other non- traditional donors, support WFP operations through in-kind contributions of commodities or services under General Rule XIII.4 (c). In 2021, the value of such contributions was USD 11.7 million under twinning arrangements, down from USD 13.6 million in 2020. In-kind commodity, service and cash contributions were matched with USD 1.2 million of cash contributions from other donors, up from USD 0.6 million in 2020, and USD 7.2 million from the Emerging Donor Matching Fund (EDMF), down from 7.8 million in 2020. No ISC were waived on these contributions in 2020 or 2021.

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TABLE 1: CONTRIBUTIONS MADE IN 2021 UNDER GENERAL RULE XIII.4 (c) (USD)			
Donor	Commodity/service/ cash value	Other costs and ISC covered by	
		Other donors	EDMF *
El Salvador	600 000	-	420 624
Gambia (the)	3 118 797	-	1 000 000
Haiti	646 105	-	500 000
India	960 000	-	960 000
Indonesia	1 198 061	-	815 059
Nepal	739 227	91 876	989 625
Nigeria	1 000 000		870 444
Pakistan	2 181 852	1 118 770	1 000 000
Sao Tome and Principe	148 559	-	54 649
Togo	1 080 038		568 975
Zambia	4 361	-	4 640
Total 2021	11 677 000	1 210 646	7 184 016
Total 2020	13 559 683	652 459	7 790 546

* The Emerging Donors Matching Fund provided the funds to cover the support costs associated with these contributions.

Waivers of indirect support costs and direct support costs (General Rule XIII.4 (d))

- WFP's 2021 operations were also augmented through in-kind contributions of services and non-food items under General Rule XIII.4 (d). In 2021 these contributions decreased to USD 13.9 million from USD 27.4 million in 2020. The decrease in 2021 is attributed mainly to phase out of in-kind services provided by governments, non-governmental organisations, and private entities in support to the COVID-19 response. The 2021 estimated value was close to the 2019 one in the pre-COVID-19 period. The total estimated waived ISC in 2021 decreased to USD 0.9 million from USD 1.8 million in 2020. No ISC on cash contributions or direct support costs were waived in 2021. Table 2 provides waived ISC details by donor, recipient country, and contribution amount.

TABLE 2: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DIRECT SUPPORT COSTS UNDER GENERAL RULE XIII.4 (d) in 2021 (USD)			
Donor	Recipient country/ region/headquarters	Value	ISC waived
CANADEM – International Civilian Response Corps	Ethiopia	164 771	10 710
Center for International Peace Operations	Philippines	48 616	3 160
	Sudan	23 424	1 523
	WFP (Rome headquarters)	173 429	11 273
Danish Refugee Council	Burundi	225 571	14 662
	Nigeria	25 575	1 662
	Regional Bureau for Eastern Africa	23 424	1 523
	South Sudan	30 580	1 988
	WFP (Rome headquarters)	143 392	9 320
Fuel Relief Fund	Ethiopia	30 000	1 950
Information Management and Mine Action Programs	Ethiopia	61 499	3 997
Irish Aid	Burkina Faso	104 521	6 794
	Haiti	74 048	4 813
	Malawi	131 000	8 515
	Mozambique	210 385	13 675
	Philippines	47 792	3 106
	WFP (Rome headquarters)	31 400	2 041
Koninklijke DSM N.V.	WFP (Rome headquarters)	256 836	16 694
Luxemburg	WFP (Rome headquarters)	46 343	3 012
Norwegian Refugee Council	Afghanistan	56 207	3 653
	Burkina Faso	104 521	6 794
	Chad	251 811	16 368
	Colombia	504 782	32 811
	Dominican Republic	111 831	7 269
	Ethiopia	225 695	14 670
	Iraq	238 127	15 478
	Madagascar	141 399	9 191
	Mozambique	51 964	3 378
	Myanmar	119 902	7 794
	Niger (the)	869 576	56 522
	Nigeria	300 446	19 529
	Pacific island countries	95 087	6 181

TABLE 2: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DIRECT SUPPORT COSTS UNDER GENERAL RULE XIII.4 (d) in 2021 (USD)			
Donor	Recipient country/ region/headquarters	Value	ISC waived
	Regional Bureau for Asia and the Pacific	189 727	12 332
	Regional Bureau for the Middle East, Northern Africa and Eastern Europe	202 830	13 184
	Regional Bureau for Western Africa	425 150	27 635
	Regional Bureau for Southern Africa	188 322	12 241
	Regional Bureau for Eastern Africa	373 470	24 276
	Sudan	394 506	25 643
	Timor-Leste	15 994	1 040
	WFP (Rome headquarters)	538 017	34 971
RedR Australia	Timor-Leste	82 779	5 381
Stop Hunger	WFP (Rome headquarters)	3 203	208
Swedish Civil Contingencies Agency	Cameroon	66 465	4 320
	Ethiopia	629 310	40 905
	Mali	71 573	4 652
	Regional Bureau for Southern Africa	51 690	3 360
	Somalia	498 827	32 424
	South Sudan	73 510	4 778
	Sudan	165 285	10 744
	WFP (Rome headquarters)	596 311	38 760
Swiss Agency for Development and Cooperation	Bangladesh	125 707	8 171
	Democratic People's Republic of Korea	41 772	2 715
	El Salvador	160 137	10 409
	Libya	351 917	22 875
	Sri Lanka	260 883	16 957
	State of Palestine	142 133	9 239
	WFP (Rome headquarters)	318 495	20 702
T-Pride Private Limited	WFP (Rome headquarters)	2 348 860	152 676

TABLE 2: WAIVERS OF ISC IN RESPECT OF CONTRIBUTIONS IN-KIND TO COVER DIRECT SUPPORT COSTS UNDER GENERAL RULE XIII.4 (d) in 2021 (USD)			
Donor	Recipient country/ region/headquarters	Value	ISC waived
United Parcel Service	Central African Republic	282 632	18 371
	Haiti	36 519	2 374
	Madagascar	173 098	11 251
	Mozambique	68 014	4 421
	Rwanda	42 650	2 772
	Uganda	24 113	1 567
World Health Organization	Malaysia	3 600	234
Total 2021		13 871 453	901 644
Total 2020		27 419 264	1 782 255

Reduced indirect support costs for contributions from governments of developing countries and countries with economies in transition (General Rule XIII.4 (e))

4. The Executive Board approved¹ a reduced ISC rate of 4 percent for governments' contributions to programmes in their own countries and contributions made by developing countries or countries with economies in transition. In 2021 the value of such contributions in the form of cash and in-kind was USD 495.8 million, up from USD 334.1 million in 2020, with ISC of USD 19.1 million, up from 12.9 million in 2020. The increase in contribution value by 48 percent from 2020 can be explained by the increased contributions from the host governments with reduced ISC rate, of which approximately 45 percent were funded by international financial institutions (IFIs)². Table 3 provides the details by donor country, contribution amount and reduced ISC.

¹ [WFP/EB.2/2020/5-A/1/Rev.1](#).

² In 2021, WFP and an IFI entered into three agreements, one to support operations in Afghanistan and two to support operations in Yemen, applying the ISC rate of 4 percent. WFP's standard ISC rate is 6.5 percent for all programmatic contributions except for governments' contributions to programmes in their own countries, and government contributions made pursuant to General Rule XIII.4(e), for which the ISC rate of 4 percent applies. Following extensive consultations and legal review, senior management concluded that the application of the 4 percent ISC rate was incorrect for the three grants due to the fact that they were made by an IFI directly to WFP and not a government, and that a 6.5 percent ISC rate should have applied. These grants were subsequently registered with the standard 6.5 percent ISC rate. This issue is disclosed in Note 8.2 to the [Audited Annual Accounts, 2021](#). Furthermore, in the [Update on the WFP management plan \(2022-2024\)](#), WFP is seeking Executive Board approval to extend the application of the 4 percent ISC rate to situations where IFI contributions would normally have been directed through host governments but where the host government is ineligible to receive contributions from IFIs, such as in the case of *de facto* authorities.

TABLE 3: CONTRIBUTIONS MADE IN 2021 UNDER GENERAL RULE XIII.4 (e) (USD) WITH REDUCED ISC RATE		
Donor	Contribution value	Reduced ISC (4%)
Armenia	89 567	3 445
Bangladesh	3 417 542	131 444
Benin	8 688 914	334 189
Burkina Faso	5 036 220	193 701
Burundi	5 943 941	228 613
Central African Republic	3 500 000	134 615
Chad	2 209 663	84 987
China	2 300 000	88 462
Colombia	26 952 966	1 036 653
Cote d'Ivoire	1 500 000	57 692
Dominican Republic	5 285 412	203 285
Egypt	200 000	7 692
El Salvador	310 000	11 923
Eswatini	15 756	606
Ghana	1 500 000	57 692
Guinea-Bissau	6 765 343	260 206
Haiti	23 945 127	920 966
India	203 664	7 833
Lebanon	3 787 416	145 670
Mali	11 495 510	442 135
Mauritania	2 391 304	91 973
Mauritius	50 000	1 923
Mozambique	8 000 000	307 692
Nicaragua	5 000 000	192 308
Niger (the)	2 646 770	101 799
Pakistan	201 787 572	7 761 060
Peru	1 130 255	43 471
Philippines	50 000	1 923
Senegal	2 763 000	106 269
Somalia	158 694 834	6 103 647
Timor-Leste	100 000	3 846
Total 2021	495 760 776	19 067 720
Total 2020	334 126 108	12 851 003