DRAFT REVISED GENERAL REGULATIONS OF WFP

INFORMATION NOTE

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This document is produced in a limited number of copies. Delegates and observers are kindly requested to bring it to the meetings and to refrain from asking for additional copies.
1. The World Food Programme was initiated in 1961 as a joint United Nations/FAO experimental programme for three years. It was subsequently extended for further periods and then converted into a permanent programme. The basic texts which have over time governed the Programme are to be found in United Nations General Assembly resolutions 1714 (xvi), 2095 (xx), 3348 (xxix), 3404 (xxx), 46/22, 48/162 and 50/8 and resolutions 1/61, 4/65, 22/75, 9/91 and 9/95 of the Conference of the Food and Agriculture Organization of the United Nations (FAO).

2. With the successive transformations which the Programme has undergone as a result of the foregoing decisions, increasing autonomy has been conferred on the Programme, particularly as a result of General Assembly resolution 46/22 and FAO Conference resolution 9/91. With the adoption by the General Assembly of its resolution 48/162, on further measures for the restructuring and revitalization of the United Nations in the economic, social and related fields, and WFP’s responsibilities for implementing this resolution, it is necessary for a further review, reorganization and revision of the Programme’s General Regulations to be undertaken by the Executive Board. This is required to ensure that the Programme complies with that resolution and with the subsequently passed General Assembly resolution 50/227. The latter calls for the absorption by FAO and WFP of the functions of the World Food Council and for a review of the funding modalities for WFP, including the mechanism of the United Nations Pledging Conference for Development Activities. The Board has already agreed to the review by an open-ended working group (WFP/ExB.1/96/6, paragraph 18) and to the provisional work plan (WFP/EB.A/96/INF/6) for carrying out the review (decision 1996/EB.A/12).

3. In carrying out the review of the General Regulations it should be borne in mind that the present legislative process is extremely cumbersome and time-consuming whereby the Programme must have recourse in every case to the Economic and Social Council, the FAO Council and, through them, the General Assembly and the FAO Conference when the Programme wishes to update and streamline any one or more of the Programme’s General Regulations. This process can take two years or more.

4. While recognizing that the United Nations and FAO should have the final responsibility in all matters relating to the basic constitution of WFP and its role in the United Nations system, it would seem possible to separate out these matters in the General Regulations from points of detail and operational issues which have accumulated over the years and which currently appear in these Regulations. The basic constitution of WFP and its role in the United Nations system would continue to be set forth in the General Regulations which could only be amended as at present, i.e., through the Economic and Social Council and the FAO Council by the General Assembly and the FAO Conference. Other matters would be contained in rules which are promulgated under and consistent with the General Regulations, the Executive Board having the authority to consider and amend these rules after their approval, in the very first instance, by the General Assembly and the FAO Conference at the end of 1997. This approval is necessary as the General Regulations and rules to be proposed by the Executive Board in 1997 would be amendments to the existing General Regulations which in every case, based on recent precedent, require the endorsement of the Assembly and the Conference, while
subsequent amendments to the rules would only require the approval of the Board. All such amendments would be reported to the Economic and Social Council and the FAO Council. The Executive Board would determine the effective date for the entry into force of any amendment to the rules to permit it, in exceptional cases where the Board considered this essential, to seek the advice of the Economic and Social Council and the FAO Council before such entry into force.

5. The WFP Secretariat is making available to the Third Regular Session of the Executive Board in 1996 an information note containing a suggested rearrangement of the existing General Regulations into Regulations and rules as proposed above. The Regulations are regrouped into what is considered to be a more logical arrangement with the same matters being covered, as far as possible, under single articles or immediately succeeding articles. Furthermore, there are some reformulations, deletions and additions to the current text of the Regulations to take account of very recent developments and to remove clearly outdated or superseded provisions. The reference to “the Programme” throughout the text has been replaced by “WFP” to avoid confusion between the institution itself and a “programme” which it may now undertake. Provisions have been added on protracted relief operations and on special operation projects to take account of the significant role that these play in WFP’s current operations.

6. Attention is drawn to the proposed rules which evolve from Regulation XII on contributions. These rules, which are detailed, are very largely a repetition of provisions formerly included in Regulation 3 in the existing General Regulations. However, they also appear in an even more detailed form in the draft Financial Regulations and rules. It is clearly undesirable to have two sets of rules covering the same topic with differing formulations in the General Regulations and the Financial Regulations. Thus a decision is required on whether to keep the rules in the General Regulations or to delete them and leave them in the Financial Regulations where they would seem logically to belong. The rationale for the inclusion of Regulation 3 in the existing General Regulations has in large measure disappeared now that WFP has its own Fund and its own Financial Regulations and rules which are consistent with the special nature of the various forms and sources of contributions to WFP.

7. The Working Group, which is to convene immediately after the World Food Summit, may wish to use this information note as the working document for its further deliberations which can be usefully directed towards ensuring the compatibility of the proposed text with current developments and decisions particularly in the United Nations. An opportunity will also be provided, where the rules are concerned, to review them in order to determine their current relevance, or whether they should be reformulated, included in the Financial Regulations and rules or excluded from those Regulations and rules and placed under the General Regulations (e.g., Country Programme Approach). For the most part, the Regulations in the proposed working paper are recent texts resulting from the 1991 revisions and those approved at the end of 1995.

8. The full text of the current General Regulations as approved at the end of 1995 is available upon request in document CFA:38/11.
Proposed General Regulations: 1996

Article I: Establishment

The World Food Programme (hereinafter referred to as "WFP") is established by the United Nations and the Food and Agriculture Organization of the United Nations (FAO) as an autonomous joint organ for the purposes and for the performance of the functions set out in the relevant Basic Texts of WFP and in the present Regulations and in the rules made pursuant thereto.

Article II: Cooperation of WFP with the United Nations and FAO and with other agencies and organizations

In all stages of the development of its activities, WFP shall, as appropriate, consult with and seek advice and cooperation from the United Nations and FAO. It shall also operate in close liaison with appropriate United Nations agencies and United Nations operating programmes, as well as with regional intergovernmental organizations and bilateral programmes.

Article III: Functions

WFP shall, on request, provide assistance for:

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Rule II.1: Modalities of cooperation of WFP with the United Nations and FAO and with other agencies and organizations

(a) Cooperating international agencies and bodies which manifest a special interest in the item or items under consideration shall be invited upon request to send representatives to attend sessions of the Executive Board (hereinafter "the Board") referred to in Article IV of the General Regulations. The Executive Director of WFP, in consultation with the Secretary-General of the United Nations (hereafter "the Secretary-General") and the Director-General of FAO (hereafter "the Director-General"), shall give special attention to developing these and other means of cooperation with these agencies and organizations, and shall report to the Board on the progress made.

(b) WFP shall ensure that its assistance be associated with material, financial and technical assistance provided through other multilateral programmes and shall seek similar coordination with bilateral programmes.

(c) Non-governmental organizations who manifest a special interest in the work of WFP shall be encouraged, where and as appropriate, to cooperate with WFP and to support its activities.

Rule III.1: Use of food aid for development

WFP shall use food as an aid to economic and social development, particularly when related to feeding and improving the nutritional condition of the most vulnerable and neediest groups, increasing agricultural production and productivity, fostering labour-intensive activities and promoting rural employment and welfare, and human resources development; and such other activities, including regional activities, as may be approved by the Board. Special emphasis should be given to programmes, projects and other activities in the neediest countries.

Rule III.2: Use of food aid for relief

Relief food needs shall be provided in a way that is as developmental as possible, consistent with the saving of lives.
Proposed General Regulations: 1996

(a) implementing programmes, projects and other activities as provided for in these Regulations and rules;

(b) meeting emergency food needs and the logistic support thereof;

(c) meeting protracted relief food needs and the logistic support thereof;

(d) promoting world food security in accordance with the recommendations made to it by the United Nations and FAO; and

(e) carrying out major activities needed for improving or equipping infrastructure to permit speedy and efficient delivery of food and to serve as a vehicle for disaster mitigation, rehabilitation and future development.

Article IV: Organization: Organs

The organs of WFP shall be:

(a) The Executive Board (hereinafter "the Board") jointly established by the United Nations and FAO and composed of thirty-six (36) States Members of the United Nations or Members of FAO from among the States included in the lists set out in the Basic Texts of WFP.

(b) A Secretariat comprising an Executive Director and such staff as WFP may require.

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Rule III.3: Coordination of emergency food assistance

WFP shall, within the framework of emergency assistance cooperation in the United Nations system and in accordance with appropriate recommendations of the United Nations and FAO, seek to ensure coordination of emergency food assistance.

Rule III.4: Services for bilateral donors and United Nations agencies

WFP may, upon request, provide bilateral services and arrange for the procurement and the transport of food on behalf of bilateral donors or United Nations agencies, for food aid operations. WFP should be reimbursed for such services according to procedures agreed upon with the donors or agencies concerned on the basis of criteria approved by the Board.

Rule III.5: Special operations activities

Special operations activities may include air lifts, communications and road, rail, airport rehabilitation projects for the purposes specified in Article III (e) of the General Regulations.

Rule IV.1: Headquarters

The Headquarters of WFP shall be in Rome, Italy.
Article V: Powers and functions of the Executive Board

1. The Board shall, within the framework of the Basic Texts and these Regulations and rules, be responsible for providing intergovernmental support to and supervision of the activities of WFP in accordance with the overall policy guidance of the General Assembly, the FAO Conference, the Economic and Social Council and the Council of FAO, in accordance with their respective responsibilities as set out in the Charter of the United Nations and the Constitution of FAO and for ensuring that WFP is responsive to the needs and priorities of recipient countries. The Board will be subject to the general authority of the Economic and Social Council and the Council of FAO.

2. The functions of the Board shall be the following:

(a) The Board shall help evolve and coordinate short-term and longer-term food aid policies. It shall, in particular:

(i) implement the policies formulated by the General Assembly and the FAO Conference and the coordination and guidance received from the Economic and Social Council and the Council of FAO;

(ii) provide a forum for intergovernmental consultation on national and international food aid programmes and policies;

(iii) review periodically general trends in food aid requirements and food aid availabilities, and the implementation of recommendations made on food aid policies; and

(iv) formulate proposals for more effective coordination of multilateral, bilateral and non-governmental food aid programmes, including emergency food aid.

(b) The Board shall be responsible for the intergovernmental supervision and direction of the management of WFP. It shall, in particular:

(i) receive information from and give guidance to the Executive Director on the work of WFP;

(ii) ensure that the activities and operational strategies of WFP are consistent with the overall policy guidance set forth by the General Assembly and the FAO Conference as well as the Economic and Social Council and the Council of FAO, in accordance with their respective responsibilities as set out in the Charter of the United Nations, and the Constitution of FAO;

(iii) monitor the performance of WFP, and review the administration and execution of the activities of WFP;
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(iv) decide on strategic and financial plans and budgets;

(v) recommend new initiatives to the Economic and Social Council and the Council of FAO and, through the Economic and Social Council and the Council of FAO, to the General Assembly and FAO Conference as necessary;

(vi) perform such functions in regard to the revision and amendment of these Regulations and rules as are conferred upon it in Article XIV below; and

(vii) encourage and examine new programme initiatives.

(c) With regard to the operation of WFP, the Board shall examine and approve programmes and projects submitted to it by the Executive Director. In respect of such approvals, however, it may delegate to the Executive Director such authority as it may specify. It shall examine and approve the budgets of programmes and projects and review the administration and execution of approved programmes and projects and other activities of WFP;

(d) The Board shall carry out such other responsibilities as are conferred upon it in these General Regulations and rules.

3. The Board shall provide a report annually on its programmes and activities to the Substantive Session of the Economic and Social Council and the Council of FAO. The annual report which could include recommendations, where appropriate, for improvement of field-level coordination must contain sections referring to one or all of the following, as appropriate:

(i) monitoring of the implementation of all previous decisions;

(ii) policy recommendations;

(iii) coordination recommendations; and

(iv) such other matters as may be required pursuant to decisions of the Economic and Social Council and the FAO Council.

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4. (a) The Board shall adopt its own Rules of Procedure.

(b) The Rules of Procedure may, with respect to the approval of programmes, projects and other activities, make provision for such approval being obtained by correspondence between sessions of the Board.

(c) The Rules of Procedure shall make provision for inviting Members of the United Nations or Members or Associate Members of FAO that are not members of the Board to participate without the right to vote in the deliberations of the Board. Any Member of the United Nations or FAO, and any Associate Member of FAO, and any Member or Associate Member of any other specialized agency or IAEA, that is not a member of the Board, whose programme or project is under review, shall have the right to participate, without the right to vote, in the deliberations of the Board.

5. The Board shall hold an annual session and such regular sessions as it considers necessary, and may hold special sessions on request submitted in writing by at least one third of the members of the Board, or on the call of the Secretary-General of the United Nations (herewithafter "the Secretary-General") and the Director-General of FAO (herewithafter "the Director-General") after consultation with the Executive Director, or on the call of the Executive Director after consultation with the Secretary-General and the Director-General.

Article VI: WFP Secretariat: Organization and functions

1. The Secretariat of WFP shall be headed by an Executive Director, who shall be responsible and accountable to the Board for the administration of WFP.

2. The Executive Director shall be appointed by the Secretary-General and the Director-General after consultation with the Board.

Rule V.1: Voting

Every effort shall be made to arrive at a decision on any matter other than a question of procedure by consensus of the members. If the presiding officer determines that every effort to achieve a consensus on any such matter has been exhausted, that matter may be put to the vote by the presiding officer acting on his/her own initiative or at the request of a member. Decisions of the Board on important questions shall be made by a two-thirds majority of the members present and voting. Important questions shall include questions of policy, the approval of programmes, projects and other activities and the allocation of resources. Doubts, if any, as to what are important questions shall be resolved through a majority vote of the members present and voting. Similarly, decisions of the Board on questions other than important questions shall be made by a majority of the members present and voting.

Rule V.2: Safeguarding of commercial trade and practices and the agricultural economy

The Board shall ensure, in the programmes under its supervision, that:

(a) In accordance with the FAO Principles of Surplus Disposal and with the consultative procedures established by the Committee on Commodity Problems (CCP), and in conformity with the United Nations General Assembly resolution 1496 (xvi), particularly paragraph 9, commercial markets and normal and developing trade are neither interfered with nor disrupted.

(b) The agricultural economy in recipient countries is adequately safeguarded with respect both to its domestic markets and the effective development of food production and trade.

(c) Due consideration is given to safeguarding normal commercial practices in respect of acceptable services.

Rules VI.1: Senior officials and staffing of WFP

(a) The selection and appointment of senior officials above the level of D2 shall be made by the Executive Director in agreement with the Secretary-General and the Director-General.

(b) The Executive Director, where appropriate, shall rely to the fullest extent possible on the administrative, financial and other services of the United Nations and FAO on a reimbursable basis, within the context of Article VI.6 of the General Regulations.
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3. The Executive Director shall be appointed for a term of office of five years.
4. The Executive Director shall be responsible for servicing the Board.
5. The Executive Director shall be responsible for the staffing and organization of the Secretariat.
6. Every effort shall be made to keep the cost of management and administration of WFP to a minimum consistent with the maintenance of efficiency.
7. The representative of WFP in each recipient country shall be designated by the Executive Director.

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(c) Further, in the context of Article VI.6 of the General Regulations, WFP shall make extensive use of the technical services of FAO, as well as of the technical services of the United Nations and other agencies of the United Nations system on a reimbursable basis.

(d) The Executive Director shall administer the staff of WFP in accordance with prevailing Staff Regulations and Rules and such special rules as may be established by the Executive Director in agreement with the Secretary-General and the Director-General.

(e) The Executive Director may undertake, under the supervision of the Board, and in consultation with the Secretary-General and the Director-General, studies of problems related to the effective operations of WFP and such other functions as may be given to it.

Rule VI.2: FAO services

The technical services of FAO to be used by WFP shall include FAO’s services regarding global information and early warning systems for the assessment of food situations and needs and programme and project development and evaluation.

Rule VI.3: Responsibilities of the Executive Director for programmes, projects and other activities

The Executive Director shall be responsible for assuring that programmes, projects and other activities to be implemented are sound, carefully planned and directed toward valid objectives, for assuring the mobilization of the necessary technical and administrative skills, and for assessing the ability of recipient countries to carry out the programmes, projects and other activities. The Executive Director shall be responsible for assuring supply of commodities and acceptable services as agreed. The Executive Director shall have the responsibility to seek, in consultation with recipient governments, correction of any inadequacies in the operation of programmes, projects and other activities, and may withdraw assistance in the event essential corrections are not made.

Rule VI.4: Annual report on activities

In order to enable the Board to obtain a comprehensive view of the development of WFP, the Executive Director, in consultation with the Secretary-General and the Director-General, shall prepare once a year a report indicating activities under way, new activities to be undertaken, priorities and results of completed programmes and projects and their evaluation, and shall submit this report for the consideration and approval of the Board.
8. Without prejudice to the authority of the Secretary-General and the Director-General, the Executive Director shall generally represent WFP and perform such functions as may be conferred on the Executive Director or on the Secretariat under any agreements concluded by the United Nations and FAO on behalf of WFP with States or intergovernmental organizations, and under programmes, project and emergency operation agreements provided for in Article X.

9. The Executive Director shall exercise such general responsibilities for the approval and execution of programmes, projects and other activities as are conferred upon the Executive Director in these Regulations and rules.

Article VII: Legal capacity

1. WFP, which is in legal terms a joint subsidiary body of the United Nations and FAO, shall, drawing on the legal personality of the United Nations and FAO, have legal capacity:
   (a) to contract;
   (b) to acquire and dispose of movable and immovable property;
   (c) to be party to judicial proceedings.

2. Any liability arising from the exercise of the legal capacity referred to above shall be met by WFP from its own funds and shall not constitute a liability on other funds of the United Nations or FAO.

Rule VI.5: Borrowing of commodities

To assure a prompt response to requests for emergency assistance, the Executive Director may, as appropriate, borrow commodities from other programmes or projects assisted by WFP in the country or in neighbouring countries, or from other sources such as cooperating non-governmental programmes.

Rule VI.6: Responsibility for optimum use of resources

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 cash resources to purchase commodities to the maximum extent possible from developing countries, and shall report such purchases to the Board.

Rule VI.7: Expert studies

The Executive Director, under the supervision of the Board, and in consultation with the Secretary-General and the Director-General, shall arrange for expert studies to be undertaken, as needed, to aid in the consideration of the future development of multilateral food programmes. In developing these studies, the Executive Director shall arrange for as much as possible of the investigations to be made as part of the regular staff activities of FAO and the United Nations, and of other interested and competent intergovernmental organizations.
Article VIII: Eligibility for assistance

All States Members of the United Nations or Members or Associate Members of any specialized agency or of the IAEA shall be eligible to submit requests for consideration by WFP. WFP may also provide humanitarian relief assistance at the request of the Secretary-General. WFP assistance in such exceptional cases shall be fully coordinated with the United Nations system and efforts of intergovernmental and nongovernmental in the areas concerned.

Article IX: Initiation of programmes and projects

Governments desiring to establish food aid programmes or projects assisted by WFP shall present their requests in the form indicated by the Executive Director.

Rule IX.1: Local assistance in project plans

Prior to the submission of the project application, the knowledge, skills and experience of locally available technicians, including those of the United Nations, FAO, WFP and other United Nations organizations, should be drawn on to the extent feasible and necessary for the purpose of assuring maximum refinement and improvement in the project plans at the earliest possible stage, particularly with reference to the administrative and technical aspects thereof. Requests shall normally be presented through the WFP Representatives, who shall keep the United Nations Resident Coordinators and, as appropriate, the representatives of other United Nations agencies fully informed.

Rule IX.2: Relationship with development plans

All programmes or projects should have a clear relationship with the recipient country’s development plans and/or priorities and should include, as appropriate, a significant input of the recipient government’s resources. WFP should also be assured that all efforts will be made, as feasible and appropriate, to have the objectives of the programmes and projects pursued once the operations of WFP have been phased out.

Rule IX.3: Appraisal of requests

The Executive Director shall, upon receipt of requests, proceed to appraise them, and, in doing so, seek to maximize the use of local and regional expertise and consult with and seek advice and cooperation from the United Nations, FAO and other interested and cooperating international agencies and bodies according to their respective fields of competence.

Rule IX.4: Provision of information by recipient countries

Recipient countries should, as far as feasible, provide the Executive Director with any relevant information on other aid programmes that would assist WFP in coordinating its activities with such other programmes. When this is not possible, the donor countries or organizations may supply the relevant information.
Rule IX.5: Initiation of emergency operations

(a) Governments desiring food assistance to meet emergency food needs shall present a request containing the basic information relating thereto, to the representative of WFP in the country concerned, referred to in Article VI.7 of the General Regulations, who shall transmit it to the Executive Director.

(b) The Executive Director shall examine the request and, after close consultation, as required, with FAO, the United Nations and relevant agencies, decide upon such requests up to the level of the authority delegated to the Executive Director by the Board to approve development programmes and projects. In cases exceeding this level, after due consultation between WFP, FAO and as required with the United Nations and relevant agencies, approval shall be accorded jointly by the Director-General and the Executive Director.

Rule IX.6: Initiation of protracted relief operation projects

(a) Governments desiring food assistance to meet the food needs of relief operations for refugees and internally displaced persons shall present a request containing the basic information relating thereto, to the representative of WFP in the country concerned, who shall transmit it to the Executive Director.

(b) The Executive Director shall examine the request and, after close consultation, as required, with the United Nations High Commissioner for Refugees (UNHCR) for refugee operations and with the United Nations, FAO and relevant agencies for relief to internally displaced persons, decide upon such requests up to the level of the authority delegated to the Executive Director by the Board to approve development programmes and projects. In cases exceeding this level, approval shall be accorded by the Board.

Rule IX.7: Initiation of special operation projects

(a) Governments desiring assistance for special operation projects regarding major non-food related activities in conjunction with food aid shall present a request containing the basic information relating thereto, to the representative of WFP in the country concerned, who shall transmit it to the Executive Director.

(b) The Executive Director shall examine the request, consult with and seek advice from the United Nations, FAO and relevant agencies and decide upon such requests up to the level of the authority delegated to the Executive Director by the Board to approve development programmes and projects. In cases exceeding this level, approval shall be accorded by the Board.
Article X: Programme and project agreements

1. Upon approval of a proposed food aid programme or project by the Board or by the Executive Director on its behalf, an agreement shall be prepared by the Executive Director in consultation with the government concerned. All such agreements shall indicate the terms and conditions on which the proposed activities are to be carried out.

2. Upon approval of an emergency operation or protracted relief operation in accordance with the provisions of Rules IX.5 and IX.6, an agreement, which may be in the form of an exchange of letters, may be concluded forthwith between the Executive Director and the recipient government.

3. Upon approval of a special operation project in accordance with Rule IX.7, the Executive Director shall enter into an agreement with the recipient government, or intergovernmental and/or nongovernmental bodies referred to in Article VIII, specifying the services to be provided and the terms and conditions on which the proposed activities are to be carried out.

Rule X.1: Matters to be included in food aid programme and project agreements

In addition to other terms and conditions upon which the proposed activities are to be carried out in connection with an approved programme or project, the agreements shall indicate aid to be provided by other agencies or institutions; the obligations of the government with respect to the utilization of the commodities supplied, including the use and control of any local currencies generated from their sale, and with respect to the arrangements made for their storage, internal transportation and distribution; the responsibility of the government for all expenses incurred from the point of delivery, including the cost of import duties, taxes, levies, dues and wharfage; and such other relevant terms and conditions as may be mutually agreed upon as necessary for the execution and subsequent evaluation of the programme or project. Such agreements shall safeguard WFP's right to observe all phases of programme and project operations from the receipt of commodities in the country to final utilization; provide for audits as necessary; and allow WFP to suspend or withdraw assistance in case of serious non-compliance. They shall also provide for the collection of data on the food distribution and its effects on the improvement of the nutritional status and the economic and social development of the country on a longer-term basis; for the maintenance of complete records, including transport and storage documents, concerning the utilization of assistance from WFP; and for the communication of such records to WFP upon request.

Rule X.2: Duration of agreements

Agreements may provide for programmes or projects under which assistance from WFP would be available for a maximum period of five years, provided that such agreements also carry the qualification that their full execution beyond the relevant pledging period is conditional upon resources becoming available.

Rule X.3: Authority to sign agreements

Programme or project agreements shall be signed by the representative of the recipient country and by the Executive Director, or the Executive Director's representative, on behalf of WFP.
Article XI: Implementation of programmes and projects

The primary responsibility for the execution of programmes and projects shall rest with the recipient country, in accordance with the provisions of the programme/project agreement. The Executive Director shall, however, be responsible for supervision and assistance in execution, shall take the necessary measures for this purpose and shall utilize the services of the United Nations and FAO and, where appropriate, other organizations, under such arrangements as may be agreed upon.

Rule XI.1: Recipients' costs

Costs of unloading and internal transport, and of any necessary technical and administrative supervision, shall be borne by the recipient government. However, this condition may be waived by the Executive Director when providing food aid for relief and, in the case of development food aid for least developed countries, where the Executive Director is satisfied that a government is unable to meet these costs out of its own resources, or to arrange that they be met from sources other than those of WFP.

Rule XI.2: Commodity delivery and sale

Commodities shall be delivered to the recipient country as grants without payment. If such commodities are sold internally for local currency, the proceeds thereof shall be used for the particular purposes and activities specified in the agreement.

Rule XI.3: Additional external technical or financial assistance

Before accepting a programme or project which requires additional external technical or financial assistance to make them feasible, the Executive Director shall assure himself/herself that such assistance is available. It shall be the responsibility of the recipient country to obtain and arrange for such additional assistance as may be available from multilateral and other sources.

Rule XI.4: Observance of all operations by WFP personnel

As agreements are carried into effect, recipient governments shall give full cooperation so as to enable authorized personnel of WFP to observe operations from time to time, to ascertain their effects, and to carry out evaluations of the results of the programmes and projects. Any final reports prepared shall be submitted to the recipient countries concerned for their comments, and subsequently to the Board, together with any such comments.

Rule XI.5: Analytical reviews of programmes and projects

WFP, in making arrangements for the evaluation of programmes and projects, shall seek the assistance, as appropriate, of the United Nations and FAO and of other interested and cooperating agencies and bodies to carry out an analytical review of their implementation, including an assessment of the technical progress made and, when practicable, of the impact of assistance from WFP on the people of the beneficiary country.

Rule XI.6: Implementation of emergency operations

Rules XI.1 and XI.2 above shall also be applicable to the implementation of emergency operations, protracted relief operation and special operation projects.
Rule XI.7: Recipient government reporting

The recipient government shall report as may be provided for in the agreement between the Executive Director and the government on the progress of distribution of WFP commodities.

Rule XI.8: Safeguarding exporters, international trade, and producers in recipient countries

In the assessment of prospective economic and social development programmes and projects, and in their implementation and subsequent evaluation, full consideration shall be given to the prospective and actual effects of the programme or project upon local food production, including possible ways and means of increasing such production, and upon the markets for agricultural products produced in the country.

Rule XI.9: Safeguarding commercial markets

Adequate consideration shall be given to safeguarding commercial markets and the normal and developing trade of exporting countries in accordance with the FAO Principles of Surplus Disposal, as well as safeguarding normal commercial practices in respect of services used by WFP.

Rule XI.10: Executive Director’s responsibilities in safeguarding commercial markets

As a means of safeguarding commercial markets, the Executive Director shall comply with the following requirements:

(a) At an early stage in the preparation of a programme or project which may be of such significance as to threaten to interfere with or disrupt commercial markets or normal and developing trade, the Executive Director shall consult with the countries likely to be affected;

(b) The Executive Director shall also inform the Chairman of the Consultative Sub-Committee on Surplus Disposal of the FAO Committee on Commodity Problems of such preparation;

(c) If questions concerning any proposed programme or project are raised before the Consultative Sub-Committee, its views should be promptly reported to the Executive Director, who shall take them into account before proceeding with the programme or project;

(d) To facilitate the consideration of policies within the field of surplus disposal, the Executive Director shall make available to the Consultative Sub-Committee documents relevant to these subjects prepared by WFP.
Article XII: Contributions

All contributions to WFP shall be on a voluntary basis. Contributions may be donated by countries, intergovernmental bodies, other public and private sources as well as appropriate non-governmental sources.

Rule XII.1: Pledging conferences

(a) Contributions shall generally be pledged at conferences convened jointly by the Secretary-General and the Director-General, and shall aim at such targets as may from time to time be set by the General Assembly of the United Nations and the FAO Conference for such pledging periods as may be determined by the aforesaid bodies. Contributions may also be pledged during periodic resource consultations to be undertaken in conjunction with sessions of the Board or on an ad hoc basis or in response to appeals.

(b) Donors may contribute cash or commodities with accompanying cash and services of each donor sufficient to cover the full operational as well as support cost relating to the food.

Rule XII.2: Contributions to programme categories

Contributions may be pledged for one or more programme categories:
- Development, Rehabilitation and Disaster Preparedness;
- Protracted Relief;
- Emergencies;
- Special Operations;
- General purposes of WFP; and/or
- other categories as may be decided upon by the Board from time to time.

Rule XII.3: Consultations on commodities and services

Appropriate commodities and acceptable services shall be determined from time to time by discussions between contributors and the Executive Director in the light of operational needs taking into account the need to avoid unsustainable changes in consumption patterns in the recipient countries.

Rule XII.4: Availability of International Emergency Food Reserve (IEFR) resources for emergency food aid

Countries participating in IEFR should, pending the establishment of a world food grain reserve, indicate to WFP availabilities of primarily food grains or of cash contributions which might be called upon for emergency food aid purposes, in accordance with United Nations General Assembly resolution 3362 (XIII). Developing countries not in a position to make contributions in cash or in kind to the Reserve should, where possible, indicate their willingness to make interest-free loans of commodities to be used by WFP.
Rule XII.5: Commodity pledges

Commodity pledges may be made either in monetary terms or in terms of fixed physical quantities of specified commodities. In respect of quantity pledges or where a pledge made in monetary terms is subsequently translated into commodities, in whole or in part, these shall be recorded both at the time when commodities are pledged, as well as the time when commodities are received by WFP at a value based on the world market prices, at the Food Aid Convention (FAC) price or at the donor's invoice price as may be applicable. Contributions of acceptable services shall be valued either at world market prices, or, where the service is of a local character, at the price contracted for by the Executive Director.

Rule XII.6: Period for availability of pledges

Pledged contributions of commodities and services shall be held available for commitment for the purposes of WFP until the end of the pledging period. Should unforeseen circumstances, such as domestic crop failure, arise, a donor country may, in consultation with the Executive Director, defer delivery of any part of the commodities pledged, or substitute other commodities therefor, provided that the commodities concerned have not yet been committed by WFP to recipient countries. After appropriate notice has been given, cash in convertible currencies of equal value to the portion of the commodity pledge withdrawn may be substituted therefor. The Executive Director shall keep donor countries informed of contemplated and final commitments of commodities and services pledged by them. Pledged commodities which have been committed shall be held in the contributing country until called for by the Executive Director, and then delivered at the cost of the contributing country, at export ports free on board or at the border of the contributing country. Any committed commodities remaining undelivered by the end of the period for which they have been pledged shall remain available for delivery for such extended period as may be agreed upon in consultation between the Executive Director and the donor country. Committed services shall be treated in the same manner.

Rule XII.7: Substitution of cash for services

In agreement with the Executive Director, cash in convertible currencies may be substituted for pledged services which have not been committed by WFP.

Rule XII.8: Currency of cash contributions

Cash contributions to WFP shall be made in convertible currencies. In exceptional circumstances, however, developing countries may, with the agreement of the Executive Director, make cash contributions in non-convertible currencies.

Rule XII.9: Annual instalments of cash contributions

Countries shall, with regard to each pledging period, pay their cash contributions in equal annual instalments, except as otherwise agreed with the Executive Director.
Proposed General Regulations: 1996

Article XIII: Financial Arrangements

1. All contributions to WFP shall be credited to the World Food Programme Fund (hereinafter referred to as "the WFP Fund") established by the Director-General under Regulation 6.7 of the Financial Regulations of FAO, from which the cost of administration and operation of WFP shall be met.

2. The Board shall exercise full intergovernmental supervision and scrutiny of all aspects of the Fund.

3. The Executive Director shall have complete responsibility and shall be accountable to the Board for the operation and administration of the WFP Fund, including audited accounts.

4. In all matters relating to the finances of WFP, the Board shall draw on the advice of the United Nations Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Finance Committee of FAO before taking a final decision.

5. The Board shall establish Financial Regulations to govern the management of the WFP Fund. These Regulations shall be proposed by the Executive Director and approved by the Board after receiving advice from the ACABQ and the FAO Finance Committee.

6. The Executive Director will submit the following to the Executive Board for approval.

   (a) biennial consolidated budget, and supplementary budget estimates, whenever appropriate;

   (b) biennial accounts of WFP, together with the report of the External Auditor; and

   (c) other financial reports.

Proposed Rules: 1996

Rule XII.10: Time limits for provision of cash pledges at pledging conferences

The annual instalment of cash pledges shall be paid for each year of the pledging period to which it relates within 60 days after the beginning of the country's fiscal year. Countries which for domestic, legal and budgetary reasons are not in a position to meet this time limit may announce at the Pledging Conference the times at which they intend to make their cash contributions available to WFP.

Rule XII.11: Time limits for provision of other cash pledges

Cash pledges announced during the periodic resource consultations or on an ad hoc basis or in response to appeals shall be paid not later than 60 days after the announcement.
These will also be submitted to the FAO Finance Committee and the ACABQ for their review and comments. The report of these bodies will be submitted to the Board.

Article XIV: Amendments of the Regulations and Rules

1. Amendments to the present Regulations may be recommended by the Executive Board to the Economic and Social Council and the Council of FAO and, through the Economic and Social Council and the Council of FAO, to the United Nations General Assembly and the FAO Conference for approval.

2. The Executive Board may consider and adopt amendments to the rules issued in conformity with the present Regulations either on its own initiative or upon recommendation of the Executive Director. The Executive Board shall decide upon the effective date for such amendments to enter into force. All amendments adopted shall be reported in the annual report of the Board to the Economic and Social Council and the Council of FAO following upon adoption of those amendments.