

#### **Executive Board**

Annual session Rome, 10–14 June 2019

Distribution: General Agenda item 6

Date: 6 May 2019 WFP/EB.A/2019/6-I/1

Original: English Resource, financial and budgetary matters

For information

Executive Board documents are available on WFP's website (https://executiveboard.wfp.org).

# Report of the Executive Director on contributions in the form of commodities or services and on reductions or waivers of costs (General Rule XIII.4 (h)) in 2018

#### Introduction

1. In accordance with General Rule XIII.4 (h), this report is submitted to the Executive Board for information and provides a summary of contributions in the form of commodities or services received from only governments of developing countries, countries with economies in transition and other non-traditional donors (General Rule XIII.4 (f)); and reductions or waivers of indirect support costs (ISC) for in-kind contributions made to cover the direct support costs of an activity or activities (General Rule XIII.4 (g)). In past years, this report included a section on the use of unrestricted cash resources to purchase commodities in developing countries, as required by General Rule XII.4. Following the amendments made to WFP general rules and financial regulations as a result of implementation of the Integrated Road Map, it was decided that starting with the 2018 report, this section would be incorporated into the Update on food procurement<sup>1</sup> with a view to enhancing data consistency and governance.

<sup>1</sup> WFP/EB.A/2019/10-D.

#### **Focal points:**

Mr M. Juneja Assistant Executive Director Resource Management Department and Chief Financial Officer

tel.: 066513-2885

Mr B. Ah Poe Chief Contribution Accounting and Donor Financial Reporting Unit

tel.: 066513-2162

Mr R. van der Zee Director Finance and Treasury Division tel.: 066513-2544

2. As the amendments to the General Rules<sup>2</sup> did not come into effect until 1 January 2019, this 2018 report refers to the general rules as they were prior to January 2019.

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

3. Many governments of developing countries or 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 (f). In 2018, the value of such contributions made under twinning arrangements<sup>3</sup> was USD 39.5 million down from USD 42.2 million in 2017. These in-kind contributions were matched with USD 40.3 million of cash contributions from other donors, up from USD 30.0 million in 2017. No ISC on these in-kind contributions was waived in 2017 or 2018.

| TABLE 1: CONTRIBUTIONS MADE IN 2018 UNDER GENERAL RULE XIII.4 (f) (USD) |                         |                                |         |  |  |
|---|-------------------------|--------------------------------|---------|--|--|
| Donor   | Commodity/service value | Other costs and ISC covered by |         |  |  |
|   |                         | Other donor(s)                 | EDMF*   |  |  |
| Afghanistan   | 17 096 948.29           | 22 165 580                     | -       |  |  |
| Bangladesh  | 154 026.61              | 143 894                        | -       |  |  |
| Cambodia  | 760 000                 | 283 825                        | -       |  |  |
| Guinea-Bissau   | 367 293.60              | 544 159                        | -       |  |  |
| Kenya   | 178 518.16              | 69 418                         | -       |  |  |
| Madagascar  | 394 661.06              | 190 572                        | -       |  |  |
| Nepal   | 445 049.63              | 630 296                        | -       |  |  |
| Nicaragua   | 175 086.92              | 74 204                         | -       |  |  |
| Nigeria   | 784 835.02              | 752 787                        | -       |  |  |
| Pakistan  | 14 096 277.52           | 12 535 553                     | -       |  |  |
| South Sudan   | 5 066 241.62            | 2 686 152                      | -       |  |  |
| Zambia  | 401 072.02              | 271 090                        | -       |  |  |
| Total 2018  | 39 920 010              | 40 347 531                     | -       |  |  |
| Total 2017  | 42 234 292              | 30 000 651                     | 378 616 |  |  |

<sup>\*</sup> The Emerging Donor Matching Fund provided finance for the associated costs of these contributions.

### Waivers of indirect support costs for in-kind services and non-food items (General Rule XIII.4 (g))

4. In 2018, WFP also received in-kind contributions of services and non-food items for covering direct support costs. In 2018, total in-kind contributions received for this purpose decreased to USD 15.8 million compared with USD 16.1 million in 2017. The total value of waivers of ISC granted on these contributions in 2018 decreased to USD 1 million compared with USD 1.2 million in 2017. Table 2 provides the details by donor, recipient country, contribution and waived ISC value.

<sup>&</sup>lt;sup>2</sup> WFP/EB.2/2018/5-A/1.

<sup>&</sup>lt;sup>3</sup> Under twinning arrangements, an in-kind contribution or service provided by a donor is matched with a cash donation from another donor to meet the associated costs of the in-kind contribution or service. In twinning arrangements, donors are free to determine on a case-by-case basis the recipient programmes and countries with which they would like to twin in full or in part (WFP/EB.3/2004/4-C).

TABLE 2: WAIVERS OF ISC IN RESPECT OF IN-KIND CONTRIBUTIONS TO COVER DIRECT SUPPORT COSTS UNDER GENERAL RULE XIII.4 (g) in 2018 (USD)

| Donor   | Recipient country/region                 | Value   | ISC waived |
|---|--|---------|------------|
| Arab Satellite Communications<br>Organization                     | Headquarters Rome                        | 96 009  | 6 241      |
| Canada's Civilian Reserve (CANADEM)                               | Bangladesh                               | 57 094  | 3 711      |
| Crisis Management Centre (CMC)                                    | Bangladesh                               | 60 830  | 3 954      |
|   | Nepal                                    | 82 418  | 5 357      |
| Danish Emergency Management Agency<br>(DEMA)                      | Bangladesh                               | 317 000 | 20 605     |
| Danish Refugee Council (DRC)                                      | Central African Republic                 | 135 004 | 8 775      |
|   | Ethiopia                                 | 18 135  | 1 179      |
|   | Kenya                                    | 119 858 | 7 791      |
|   | Mauritania                               | 158 194 | 10 283     |
|   | Mauritania                               | 64 837  | 4 214      |
|   | Sudan                                    | 116 395 | 7 566      |
| Estonian Rescue Board (ERB)                                       | Bangladesh                               | 20 660  | 1 343      |
| Ericsson Response   | Libya                                    | 34 125  | 2 218      |
| Fuel Relief Fund  | Yemen                                    | 9 000   | 585        |
| German Federal Agency for   | Bangladesh                               | 58 000  | 3 770      |
| Technical Relief (THW)  | Headquarters Rome                        | 172 089 | 11 186     |
| Global Eagle Entertainment Inc.                                   | Headquarters Rome                        | 77 090  | 5 011      |
| Icelandic Crisis Response Unit (ICRU)                             | Mozambique                               | 327 594 | 21 294     |
|   | Uganda                                   | 131 435 | 8 543      |
| Information Management and<br>Mine Action Programs Inc. (iMMAP)   | Nigeria                                  | 171 450 | 11 144     |
| Inmarsat Global Limited   | Headquarters Rome                        | 450 000 | 29 250     |
| Intelsat Global Sales & Marketing Ltd                             | Headquarters Rome                        | 105 300 | 6 845      |
| Irish Aid   | Bangladesh                               | 1 247   | 81         |
|   | Burkina Faso                             | 139 516 | 9 069      |
|   | Burundi                                  | 31 871  | 2 072      |
|   | Ghana                                    | 78 281  | 5 088      |
| Koninklijke DSM N.V.  | Headquarters Rome                        | 356 749 | 23 189     |
| Norwegian Directorate for Civil Protection and Emergency Planning | Bangladesh                               | 40 000  | 2 600      |
| Norwegian Refugee Council (NRC)                                   | Regional Bureau for Asia and the Pacific | 239 985 | 15 599     |
|   | Bangladesh                               | 125 992 | 8 189      |
|   | Burkina Faso                             | 412 296 | 26 799     |
|   | Cameroon                                 | 277 836 | 18 059     |
|   | Chad                                     | 354 870 | 23 067     |

TABLE 2: WAIVERS OF ISC IN RESPECT OF IN-KIND CONTRIBUTIONS TO COVER DIRECT SUPPORT COSTS UNDER GENERAL RULE XIII.4 (g) in 2018 (USD)

| Donor                                    | Recipient country/region          | Value   | ISC waived |
|--|-----------------------------------|---------|------------|
|  | Democratic Republic of the Congo  | 347 763 | 22 605     |
|  | Ethiopia                          | 177 489 | 11 537     |
|  | Iran (Islamic Republic of)        | 118 290 | 7 689      |
|  | Iraq                              | 72 994  | 4 745      |
|  | Jordan                            | 77 003  | 5 005      |
|  | Malawi                            | 96 006  | 6 240      |
|  | Mali                              | 219 579 | 14 273     |
|  | Niger                             | 287 922 | 18 715     |
|  | Niger                             | 127 395 | 8 281      |
|  | Senegal                           | 45 890  | 2 983      |
|  | South Sudan                       | 259 966 | 16 898     |
|  | Switzerland                       | 237 095 | 15 411     |
|  | Tajikistan                        | 200 198 | 13 013     |
|  | Turkey                            | 122 375 | 7 954      |
|  | Uganda                            | 96 495  | 6 272      |
|  | United Republic of Tanzania       | 112 835 | 7 334      |
| Path                                     | Myanmar                           | 278 000 | 19 460     |
| Quintiq                                  | Headquarters Rome                 | 123 792 | 8 046      |
| RedR Australia                           | Bangladesh                        | 345 220 | 22 439     |
|  | Ethiopia                          | 253 719 | 16 492     |
|  | Federated States of<br>Micronesia | 233 108 | 15 152     |
|  | Fiji                              | 121 529 | 7 899      |
|  | Headquarters Rome                 | 188 711 | 12 266     |
|  | Myanmar                           | 117 382 | 7 630      |
|  | Namibia                           | 194 396 | 12 636     |
|  | Papua New Guinea                  | 114 850 | 7 465      |
|  | Uganda                            | 111 143 | 7 224      |
|  | Vanuatu                           | 54 260  | 3 527      |
| Renault Trucks                           | Headquarters Rome                 | 85 400  | 5 551      |
| SES Techcom S.A.                         | Headquarters Rome                 | 43 200  | 2 808      |
| Stop Hunger                              | Headquarters Rome                 | 126 037 | 8 192      |
| Swedish Civil Contingencies Agency (MSB) | Bangladesh                        | 161 042 | 10 468     |
|  | Mali                              | 12 709  | 826        |
|  | Bangladesh                        | 130 000 | 8 450      |
|  | Burkina Faso                      | 97 352  | 6 328      |

TABLE 2: WAIVERS OF ISC IN RESPECT OF IN-KIND CONTRIBUTIONS TO COVER DIRECT SUPPORT COSTS UNDER GENERAL RULE XIII.4 (g) in 2018 (USD)

| Donor                            | Recipient country/region         | Value      | ISC waived |
|----------------------------------|----------------------------------|------------|------------|
|                                  | Burundi                          | 76 820     | 4 993      |
|                                  | Democratic Republic of the Congo | 615 616    | 40 015     |
|                                  | Ethiopia                         | 22 210     | 1 444      |
|                                  | Fiji                             | 228 771    | 14 870     |
|                                  | Iraq                             | 42 765     | 2 780      |
|                                  | Mali                             | 97 352     | 6 328      |
|                                  | Mauritania                       | 97 352     | 6 328      |
|                                  | Niger                            | 97 352     | 6 328      |
|                                  | Nigeria                          | 19 930     | 1 295      |
|                                  | South Sudan                      | 626 992    | 40 754     |
| Swiss Agency for Development and | Burundi                          | 90 438     | 5 878      |
| Cooperation (SDC)                | Democratic Republic of the Congo | 513 172    | 33 356     |
|                                  | Haiti                            | 252 968    | 16 443     |
|                                  | Headquarters Rome                | 226 739    | 14 738     |
|                                  | Jordan                           | 70 901     | 4 609      |
|                                  | Madagascar                       | 63 925     | 4 155      |
|                                  | Madagascar                       | 57 694     | 3 750      |
|                                  | Myanmar                          | 366 052    | 23 793     |
|                                  | Pakistan                         | 243 666    | 15 838     |
|                                  | Somalia                          | 245 426    | 15 953     |
|                                  | Sri Lanka                        | 52 408     | 3 407      |
| UPS                              | Democratic Republic of the Congo | 441 971    | 28 728     |
|                                  | Ethiopia                         | 73 699     | 4 790      |
|                                  | Headquarters Rome                | 262 792    | 17 081     |
|                                  | Rwanda                           | 236 355    | 15 363     |
|                                  | Somalia                          | 264 358    | 17 183     |
|                                  | Uganda                           | 199 824    | 12 989     |
| Total 2018                       |                                  | 15 819 851 | 1 029 680  |
| Total 2017                       |                                  | 16 096 667 | 1 152 579  |