



Making Contributions In Kind to UNHCR

A Guide for Donors

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Contents

	Page
Introduction	3
General Information	3
Types of contributions in kind	3
Commodities	3
Services	4
Initial discussions	4
Need and technical suitability	5
Transport costs	5
Formal offer and acceptance	5
Transport arrangements and documentation	5
Delivery of services	6
Valuations	6
Annex	7

Making Contributions In Kind to UNHCR

Introduction

Whilst UNHCR appeals for cash funding in order to carry out its programmes and generally makes purchases of commodities or services by a procedure of competitive local or international tenders, there are occasions when contributions in kind are accepted. For instance, in the initial phase of complex emergencies, contributions in kind may make up a proportion of contributions and enable a faster response to the emergency than would otherwise be possible.

It is important that there is a clear understanding between donors and UNHCR with regard to the procedures which must be followed in order to ensure the maximum benefit to the target population. Also, contributions in kind must be appropriate to the situation (such as climate, culture etc) to meet the identified needs. This guide has been prepared and made available with these objectives in mind to maintain the best possible working relationship with donors.

General Information

In order for a contribution in kind to be recognised and recorded by UNHCR, an offer made by a donor must be formally accepted by UNHCR and the commodities or services come under the direct control of UNHCR. Many contributions to the welfare of UNHCR target populations are made through channels other than UNHCR. Hence, for registration as a contribution to UNHCR, it is not sufficient that the materials or services are merely used towards the objectives similar to those of UNHCR. Contributions in kind should be formally agreed by an exchange of letters with the relevant services in the *Division of External Relations* (DER) before the donor dispatches them. It is not possible for UNHCR to recognise contributions in kind, of either commodities or services, retroactively.

Types of Contributions In Kind

It is important that UNHCR is able to account for and report on the use of all contributions in kind accepted whilst maintaining the integrity of its accounting practices. For this reason, UNHCR has defined criteria and types of contributions in kind it can accept. UNHCR will only recognise and record contributions in kind whose value is equal to or greater than USD 10,000.

Commodities are items considered by UNHCR as being needed or useful in its operations in the context of the relevant country and programme objectives and which a donor makes available to the organisation. UNHCR will recognise and record (1) commodities that are intended for distribution to its populations of concern, and (2)

equipment which are expected to be used by the Organization for more than one year. The value of such equipment must be equal to or greater than USD 10,000 per unit.

Services are activities that facilitate UNHCR's operations and are put at UNHCR's disposal for a defined period of time. Contributions in kind of services should be "self-contained" and should not result in additional managerial or physical resources being required by UNHCR, i.e. they should approximate to services contracted by UNHCR from a competent organisation or company. UNHCR will recognise and record the following types of services in kind: (1) right of use of free office or warehouse space and related administrative costs, and (2) deployments of experts by stand-by partners for a continuous period of more than six months.

These contributions in kind will be considered *budgetary*, i.e., the donated goods or services would replace commodities that have been budgeted for and would have been purchased by UNHCR or one of its implementing partners in the normal execution of the programme. Contributions of this type are recorded by UNHCR in its financial statements in a similar way as cash contributions. It is important to note that the value put on such a contribution by UNHCR may be less than the value claimed by the donor (see under "Valuations"). The contribution in kind should be acknowledged before UNHCR initiates the purchase of the same budgeted commodity to allow the contribution to be charged against relevant budget lines.

In extraordinary circumstances, donors may be requested to provide specific commodities and services that fall outside the budgeted activities of UNHCR. It is important in such cases to clarify in which category any particular contribution in kind may fall, at an early stage of negotiations with the *Division of External Relations* (DER).

Initial Discussions

Discussions regarding possible contributions in kind may initially take place at field locations or with various departments of UNHCR Headquarters. However, they must always be confirmed and finalised with the relevant services within DER at Headquarters – the *Donor Relations and Resource Mobilisation Service* (DRRM) for governmental, inter-governmental and UN donors, and *Private Sector Fund Raising Service* (PSFR) for the private sector.

Need and Technical Suitability

UNHCR will determine the need for and technical suitability of each contribution in kind offered. In order to maintain the standard of UNHCR's programmes, it is regretted that offers of contributions deemed unnecessary or technically unsuitable will not be accepted. UNHCR cannot take any responsibility for contributions delivered without its express agreement.

In order for UNHCR to determine the technical suitability of a contribution in kind, a potential donor must provide UNHCR with detailed specification of the items that it intends to donate. Please refer to the Annex for further details on information required.

Transport Costs

The costs of delivery of contributions in kind to beneficiaries often exceed the value of the contribution itself. It is in this context that it is important that transport costs up to the final destination and other related costs such as insurance and custom clearance are covered by the donor. UNHCR may agree to assist with customs clearance or warehousing, but the conditions under which this is possible must be formally agreed between the donor and UNHCR before the assistance is shipped.

Formal Offer and Acceptance

In order for a contribution in kind to be recognised by UNHCR, a formal exchange of letters must be completed with the UNHCR *Donor Relations & Resource Mobilisation Service* (DRRM) or *Private Sector Fund Raising Service* (PSFR) before the delivery of the contribution. The acceptance letter will contain a number of conditions that must be complied with by the donor if the contribution is to be recognised and accounted for by UNHCR.

Transport Arrangements and Documentation

Correct transport and documentation practices must be followed to ensure safe, timely transport and avoid unnecessary charges. Goods sent with unsuitable transport arrangements and/or documentation may either not arrive to the beneficiaries or may involve port and other charges that far exceed the value of the goods themselves. One of the functions of UNHCR's *Supply Management Service* (SMS) is to ensure that the various transport and import requirements of transit and recipient countries are met. Immediately following the acceptance of a contribution of commodities, SMS will contact the donor with transport and documentation instructions. No dispatch should be undertaken before these instructions are received and it is vital that goods are not dispatched by other means or with other documentation.

Required paper work could differ, depending on the custom regulations of the countries to which the items are dispatched to. However, UNHCR typically requires the following documents and these documents must reach UNHCR before the donor dispatches the items:

- Way Bill
- Packing list
- Certificate of Origin
- Gift Certificate/Invoice

Delivery of Services

The delivery of contributions of services generally are much more complicated than that of commodities, involving detailed discussions on status of staff, deployment, recovery of resources and organisational lines of responsibility. These must all be formally agreed with UNHCR before services are delivered. Funding of individuals or agencies who undertake operations on behalf of UNHCR will not be considered as a

contribution in kind unless formally agreed with UNHCR before commencement of the operations.

Valuations

All in-kind contributions received by UNHCR will be valued at fair market value in US Dollar amounts using the United Nations operational exchange rate on the date the goods are received or for the period the services are rendered.

Fair market value is the amount which UNHCR would have had to disburse in order to acquire goods or services through a commercial transaction.

Donors may provide an estimate of the value of the donated goods. Donor valuations may be accepted as fair market value only in the following circumstances:

- 1) Donor valuation is within +/- 10% of UNHCR's assessment of fair market value using the methodology described above.
- 2) Donor valuations which differ from UNHCR's assessment of fair market value by more than +/- 10% may be accepted if they are supported by objective, external evidence.

Food commodities may be valued using prices obtained from the most recent WFP price list.

For more information and inquiries, please contact the Division of External Relations (hqfr00@unhcr.org).

Technical guidance on donations of goods for UNHCR operations

General principles:

1. All donations should follow the principle of “fit for purpose” with the aim of satisfying a need that has been defined by UNHCR with the right quality goods for the specific use.
2. Donations must be in conformity with policies and minimum quality standards of the donating and receiving country governments.
3. There should be effective coordination and collaboration between the donor and UNHCR (particularly at the country level), with all donations made according to a plan formulated by both parties.

I. Core Relief Items

[The UNHCR Core Relief Items Catalogue](#) contains detailed specifications, including international quality/testing standards, for main relief items used in UNHCR’s operations. Donated core relief items should be in line with the standards included in UNHCR technical specifications for each item. For all offers of relief items, the following details are required for the purpose of determining the suitability, quality and fair market value of the items.

1. Technical Specifications

Technical specifications should be comprehensive to include aspects of the product such as: (1) general description of the product; (2) dimensions; (3) weight/volume; (4) technical composition, i.e., raw materials, design, shape, etc.; (5) packaging; and (6) Estimated life span of goods.

Information regarding international testing standards used for the various parts/composition of the product is also valuable to determine the fair market value of the products.

2. Quality Certifications and Laboratory Reports

UNHCR procures relief items as per its established quality requirements. It is requested that manufacturers of the goods provide a copy of laboratory testing reports that contains information on the quality and durability of the items.

Mosquito nets should only come from a WHO-approved manufacturer. A list of recommended products is available on the WHO website: [long-lasting insecticidal mosquito nets \(LNs\)](#).

II. Medicines and medical supplies

When medicine donations are offered in emergency operations, they should preferably be limited to donations in the form of [Inter-agency Emergency Health Kits](#) and [Inter-agency Reproductive Health Kits for Crisis Situations](#).

When donations beyond emergency kits are considered in emergency, post-emergency, or protracted situations, the following technical conditions should be met.

1. Items should be on the national, UNHCR or World Health Organisation (WHO) list of essential medicines, and in strength and formulation similar to those used in the recipient country.
2. The primary manufacturer should have Good Manufacturing Practice (GMP) certificate according to WHO standards.
3. It should not include returned medicines/materials or samples.
4. All items should have a shelf-life of at least 1 year after arrival.
5. Items must be labeled in one of the two international languages: English or French, including the International Nonproprietary Name (INN) or generic name for drugs, batch number, dosage form, strength, and name of manufacturer, quantity in the container, storage conditions, and expiry date.
6. Items must be presented in original packing units from the manufacturers; loose and repacked items will not be accepted.
7. Items must be packed in accordance with international shipping regulations and be accompanied by a detailed packing list which specifies the contents of each numbered carton by INN, dosage form, quantity, batch number, expiry date, volume, weight, and any special storage conditions.
8. Medicines and medical materials should not be mixed with other supplies in the same carton, and the weight per carton should not exceed 50 kg.
9. All donated items must have a declared value based on the wholesale price of its generic equivalent in the recipient country, or, if such information is not available, on the wholesale world-market price for its generic equivalent.
10. Where medical materials are donated, they should serve the care provided at primary health care levels.
11. Any medical equipment that require ongoing maintenance will rarely be accepted (such as X-ray machines) since spare parts may not be available and staff are often not trained in use of such equipment.
12. UNHCR cannot accept donations on behalf of government-run and private hospitals in countries where it makes use of such facilities for referral care without a prior written agreement.

For further details, please consult [WHO guidelines for medicine donations, revised 2010](#).

III. Food items

1. All nutritional products must be approved by the WHO and the United Nations Children's Fund (UNICEF) at global level as '*safe to treat or prevent a condition*'.
2. In general, minimum donations for the persons of concern to UNHCR must be sufficient to provide the item to all households, or if for use by section of population, must be sufficient for minimum of three months' supply to all.
3. Acceptance/use of any special nutrition product or food must include considerations of the potential interaction with other products in use to avoid toxicity.
4. UNHCR will NOT accept any of the following items in any event:
 - Products containing milk or milk products without evidence of its global approval by WHO.
 - Products that are not sensitive to local cultural and religious norms.
 - Products with an expiry date less than one year from the date of shipment.
 - Products that do not have a clear contents label and a clear health consumption certificate.
 - Products targeted to infants or young children, including but not limited to breast milk substitutes or milk powders.
 - Non-fortified salt, oil or flour.
6. UNHCR only distributes food that are deemed safe for human consumption and that meet the food safety standards of both donor and recipient countries.
7. Donations must adhere to [the guidelines of the Codex Alimentarius Commission](#).