



World Food
Programme



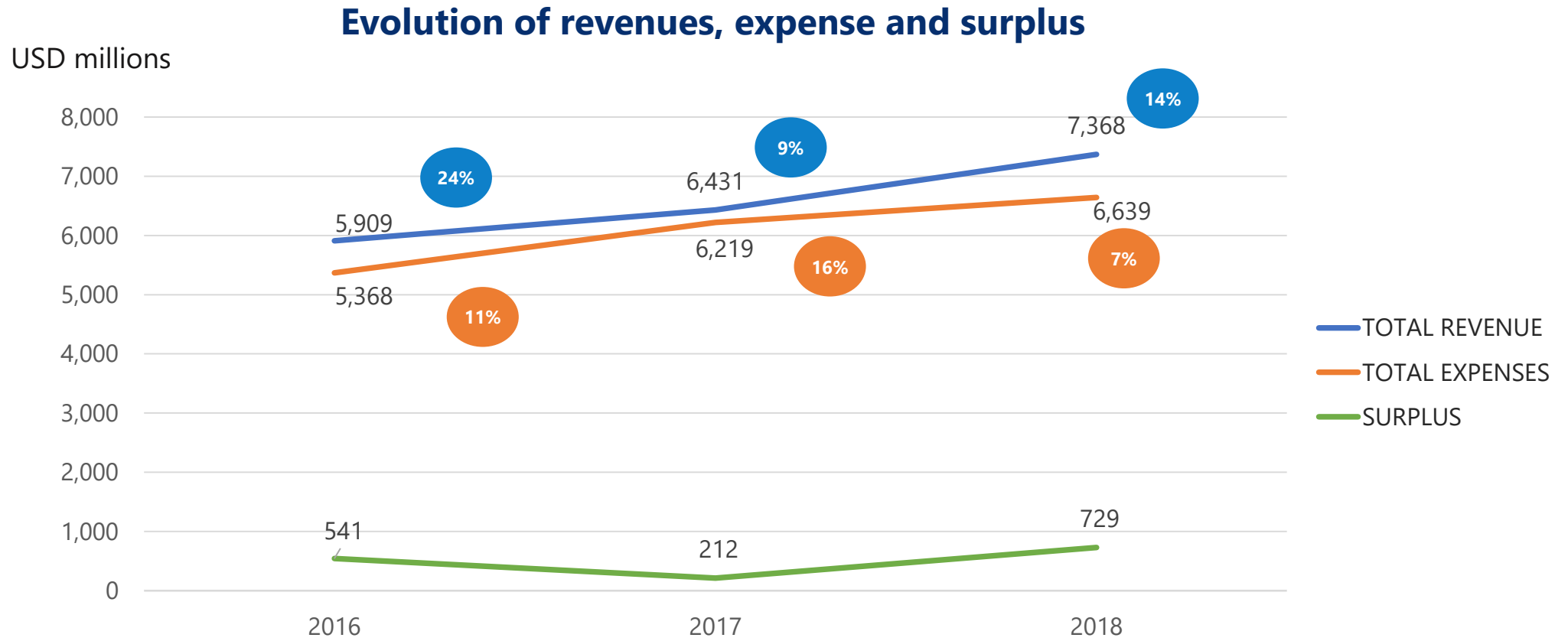
2018 Audited Annual Accounts

Annual Board Session, 10-14 June 2019

SAVING
LIVES
CHANGING
LIVES

Statement of Financial Performance (Statement II)

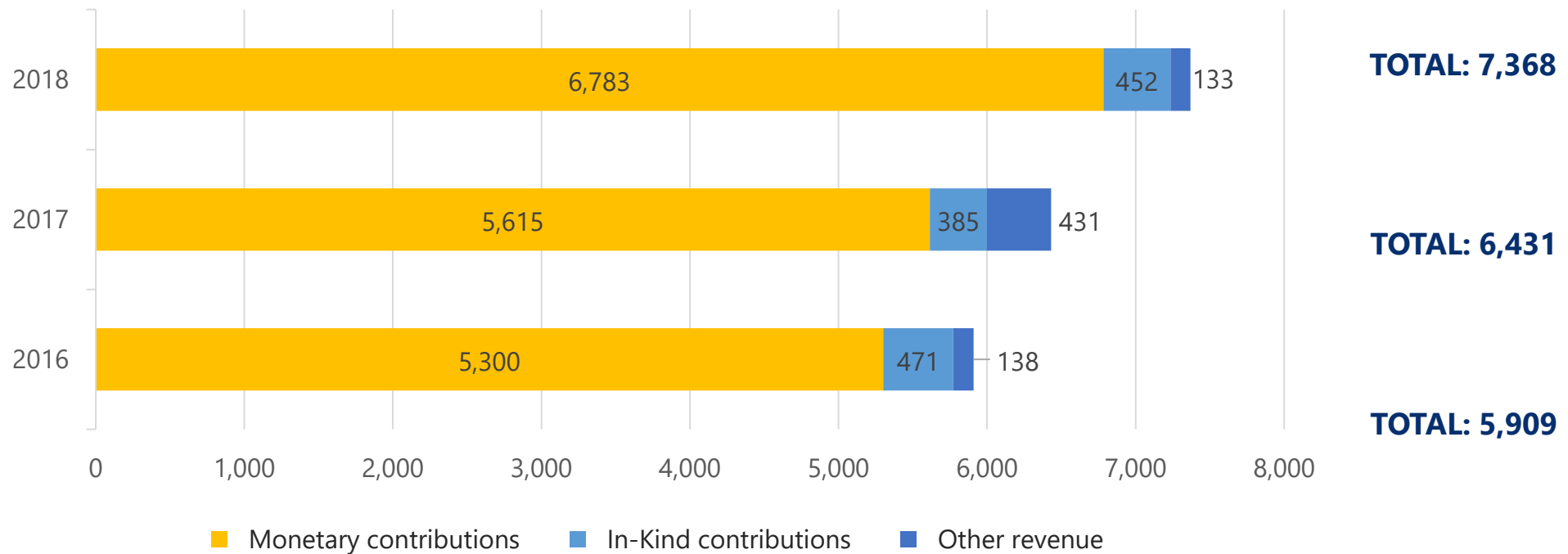
In 2018, growth in revenue exceeded increase in operational spending, resulting in an increased surplus of USD 729 million



Revenue

2018 is another record year with total revenue recognized of USD 7.4 billion, of which USD 7.2 billion or 98% from donor contributions (an increase of USD 1.2 billion or 20% compared to 2017)

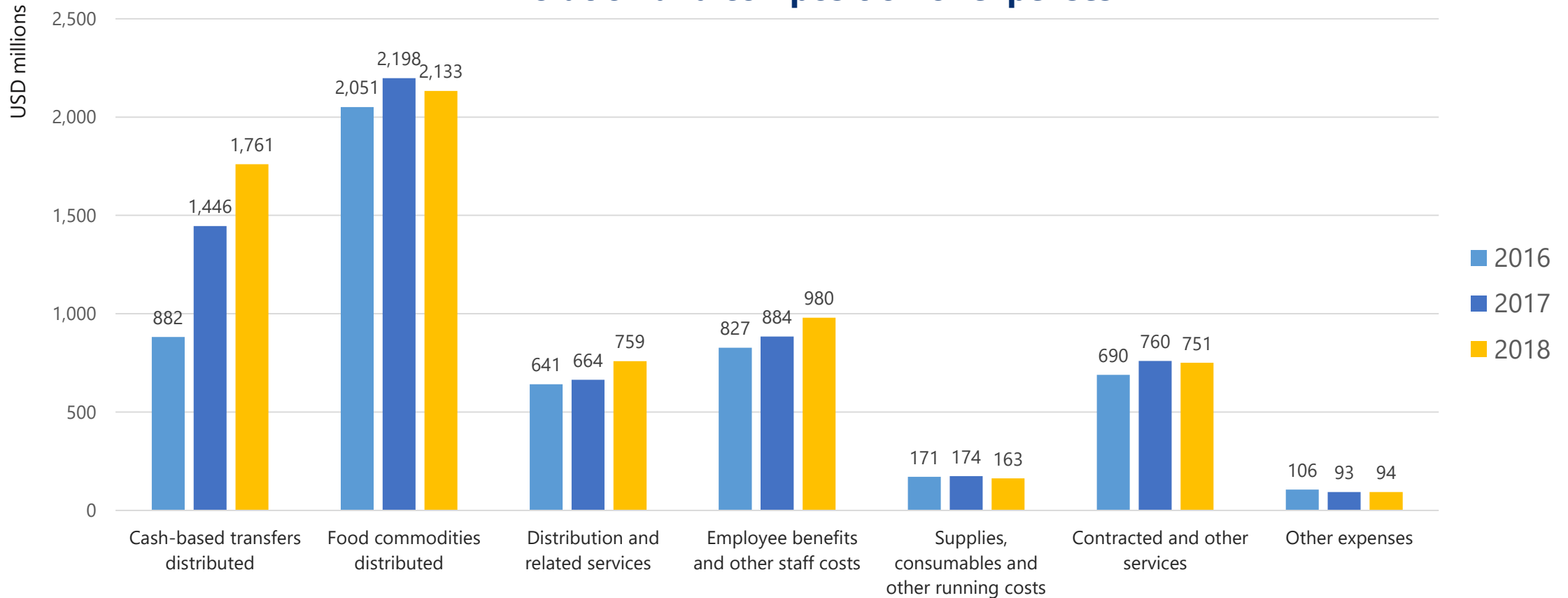
Evolution and composition of revenue (in USD millions)



Expenses

Cash-based transfers continued growing faster than other cost categories in 2018, an increase of USD 314.4 million (or 22%)

Evolution and composition of expenses



Statement of Financial Position (Statement I)

- **Total assets of USD 8,175million increased by USD 195.5m (2%).** The increase stems primarily from increase in ST investments and inventories, offset by decrease in contribution receivables.
- **Total liabilities of USD 2,869 million** decreased by USD 676.3 million (19%) mainly due to decrease in deferred revenue by USD 649 million (34%).
- **Net assets** (WFP Fund Balances and Reserves) totalled USD 5,305.7 million representing approximately six months of operational activity.
- **Food inventories** increased by 22% as a result of increase in MT held, from 1.1 million MT in 2017 to 1.6 million MT in 2018. The value of food inventories was USD 842 million, USD 152 million higher than at the end of 2017.
- The decrease in total **employee benefits liabilities** of USD 99.9 million (11%) is mostly result of higher discount rate used to calculate the Net Present Value of the liabilities. Assets set aside for the funding of the long-term employee benefits liabilities represents **80% funding level.**

Statement V - Comparison of Budget and Actual Amounts

1
Final budget (USD 10 billion) is higher than original by USD 1.2 billion

- Primarily due to increases related to Bangladesh, DRC and Yemen emergencies
- Other increases were related to Syrian Regional response, Ethiopia and Somalia

2

Actuals higher than implementation plan
 due to higher than expected contribution revenue

	Budget Amount		Actual on Comparable basis	Difference: Final budget and actual	Implementation Plan	utilisation rate final budget %
	Original Budget	Final Budget				
Project costs						
Food and related DOC	-	1,971.7	1,460.6	511.1	-	74%
Cash-based transfers and related DOC	-	713.8	359.4	354.4	-	50%
Capacity augmentation	-	201.9	166.0	35.9	-	82%
Direct support costs	-	318.2	327.5	-9.3	-	103%
Subtotal direct project costs	-	3,205.6	2,313.5	892.1	-	72%
CSP costs						
SR 1. Everyone has access to food	5,549.0	4,248.6	2,866.4	1,382.2	3,390.6	67%
SR 2. No one suffers from malnutrition	807.4	535.3	225.3	310.0	510.2	42%
SR 3. to SR 7.	583.3	446.0	204.0	242.0	364.1	46%
SR 8. Strengthening global partnership	940.2	930.9	669.4	261.5	834.7	72%
Direct support costs	580.8	258.7	145.1	113.6	419.4	56%
Subtotal CSP costs	8,460.7	6,419.5	4,110.2	2,309.3	5,519.0	64%
Regular PSA & CCI	371.0	378.4	370.9	7.5	371.0	98%
TOTAL	8,831.7	10,003.5	6,794.6	3,208.9	5,890.0	68%

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Largest CBT operations:
 Syrian refugees' emergency

Largest food operations:
 Yemen, Syria, Ethiopia and South Sudan

3

Utilization rate of the final budget is 68% compared to 59% in 2017

ED Statement on Internal Control

Highlighting significant internal control risks:

- One new internal control weakness arose during 2018:
 - non-governmental organization management
- Five areas previously reported need further improvement
 - beneficiary management
 - IT governance, controls and cybersecurity
 - scale-up of support to cope with emergency portfolio
 - operational monitoring and review system
 - talent management and workforce planning



THANK YOU

