



CFO Division Seminar

6 May 2026



World Food Programme

SAVING
LIVES
CHANGING
LIVES

Agenda

Part 1: Accountability and reporting documents

- I. Audited Annual Accounts, 2025
 - a. Financial Statements
 - b. Report of the External Auditor

Q&A

Part 2: Resource and budgetary documents

- I. Report on the utilization of WFP's strategic financing mechanisms, 2025

Q&A

Part 2: Resource and budgetary documents

- II. Amendments to the Financial Regulations

Q&A

Key CFO Division dates and documents in 2026

Part 1: Accountability and reporting documents

- I. Audited annual accounts, 2025
 - a. Financial Statements

Accounting policy changes in 2025

IPSAS 43

IPSAS 44

IPSAS 45

Accounting policy changes in effect from 2025

IPSAS 43, LEASES

WFP's real estate portfolio and aviation charters recognized in financial statements

- Applied retrospectively with cumulative effect of initial application recognized on 1 January 2025 (Note 1 to FS); no restatement of comparatives
- Exemption of short-term (less than 12month) and low-value (equal or less USD 5k) leases
- On 31 December 2025:
 - Right of use assets of USD 366.1 million (Statement I Financial Position) – Note 2.9
 - Lease liability over full lease term of USD 370.9 million (Statement I Financial Position) – Note 2.15
 - Interest expense of USD 20.9 million and depreciation costs of USD 163.1 million (Statement II Financial Performance) – Note 4.7

IPSAS 44, DISCONTINUED OPERATIONS

Country Offices move to non-resident agency status

- No impact in 2025 FS

IPSAS 45, PROPERTY, PLANT AND EQUIPMENT

Disclosure of one heritage asset

- The Nobel Prize awarded to WFP on 9 October 2020 meets the definition of heritage asset, but its value is not measurable, hence the requirement to disclose only in financial statements – Note 1

Statement II

Financial Performance

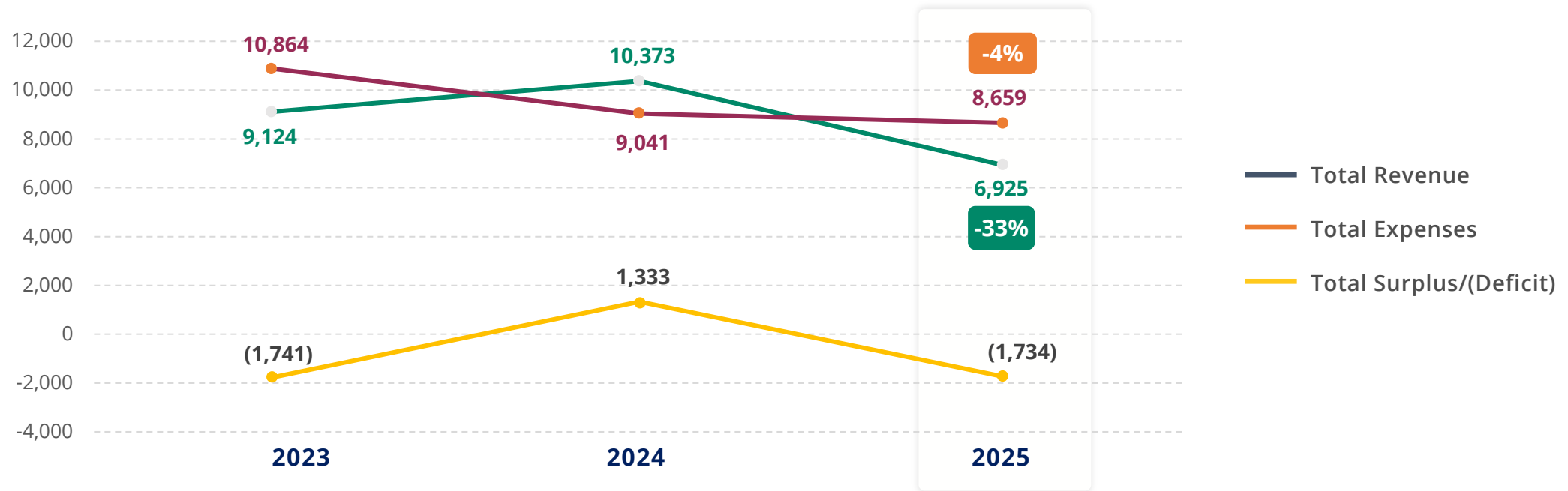
Revenue

Expenses

Statement II – Financial Performance

In 2025, **revenue** amounted to USD 6.9 billion, a 33% decrease vs. 2024. **Expenses** decreased by 4% to USD 8.6 billion. The resulting 2025 **deficit** was USD 1.7 billion.

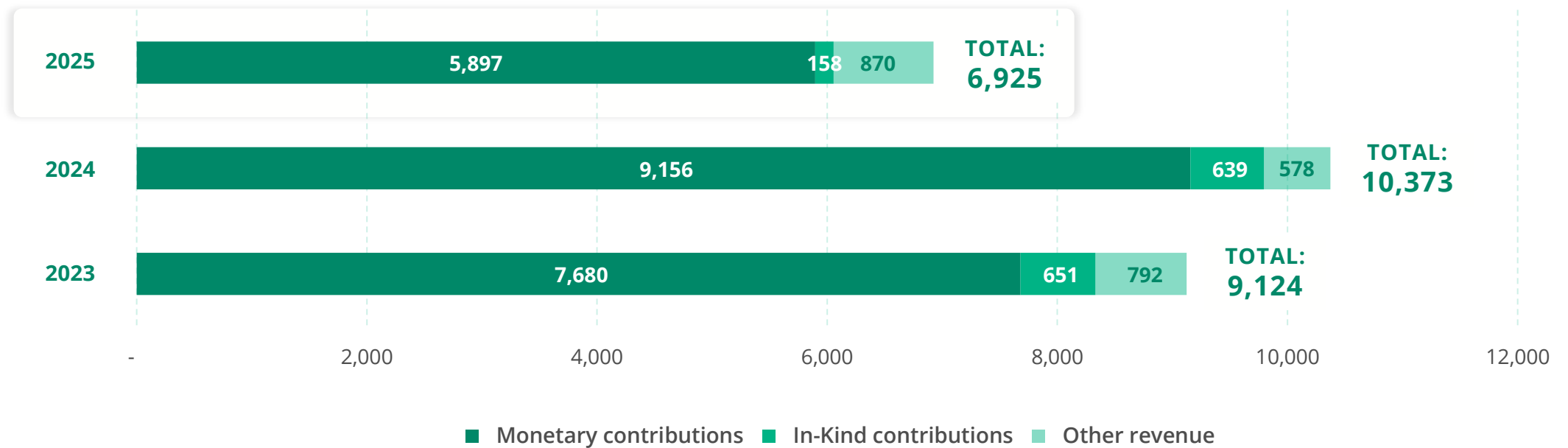
EVOLUTION OF REVENUE, EXPENSES AND SURPLUS
in USD millions



Statement II – Revenue

Contribution revenue decreased by USD 3.7 billion (38%) compared to 2024. **Other revenue** increased by 51%, to USD 0.9 billion, due to currency exchange gains and returns on investments.

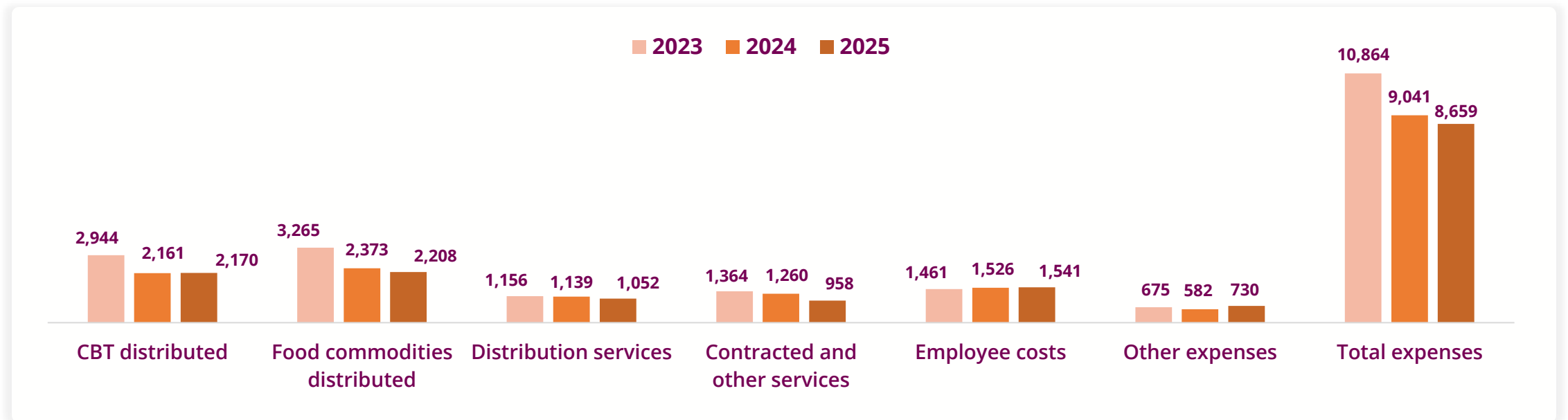
EVOLUTION AND COMPOSITION OF REVENUE
in USD millions



Statement II – Expenses

In 2025, total expenses were USD 8.6 billion, a decrease of USD 0.4 billion or 4% from USD 9.0 billion in 2024. **CBT distributed remained unchanged** and **commodities distributed decreased** by 7% compared to 2024. **Distribution costs** decreased by 8% (broadly in line with decrease in commodities distributions), while **contracted services** decreased by 24%. **Employee costs increased** by 1% (vs. a 12% headcount decrease). Remaining other costs increased by 26 percent, mainly due to the depreciation on the right-of-use assets under IPSAS 43.






EVOLUTION AND COMPOSITION OF EXPENSES *in USD millions*



Statement I

Financial Position

Statement I – Financial Position

 TOTAL ASSETS	of USD 12,037.6 million decreased by USD 1,505.7 million or 11% compared to Q4 2024 due to decreases in contributions receivable, cash and inventories.
 INVENTORIES	stood at USD 703.9 million , a 33% decrease in value, mainly due to a reduction in the food commodities metric tons held at the end of Q4 2025 (0.9 million compared to 1.3 million at the end of Q4 2024).
 TOTAL LIABILITIES	increased by 5% to USD 2,366.7 million in Q4 2025, mainly due to the newly recognized lease liabilities of USD 370.9 million related to IPSAS 43 implementation.
 EMPLOYEE BENEFITS LIABILITIES	totaled USD 1,007.8 million at Q4 2025, a 2% decrease to 2024. The assets to cover long-term liabilities amounted to USD 1,531.3 million and the funding ratio stood at 161% .
 NET ASSETS (Fund Balances and Reserves)	totaled USD 9,670.9 million (14% decrease). Out of total net assets, USD 6,533.1 million pertained to CSPs, representing approximately 5.2 months of operational activity.

Statement V

Comparison of Budget and Actual amounts

Statement V – Comparison of Budget and Actual amounts

CSP costs	Budget amount		Actual on comparable basis	Difference final budget and actual	Implementation Plan	Utilisation rate final budget
	Original budget	Final budget				
SO 1 Urgent food and nutrition needs	10 238.6	10 041.0	4 701.7	5 339.3	5 658.3	47%
SO 2 Better nutrition, health and education	2 120.6	1 734.8	814.5	920.3	1 070.9	47%
SO 3 Improved and sustainable livelihoods	1 324.6	1 196.7	623.9	572.8	725.1	52%
SO 4 Strengthened national programmes and systems	450.5	429.8	180.1	249.7	230.8	42%
SO5 More efficient and effective humanitarian and development actors	1 086.9	936.7	648.6	288.1	658.5	69%
Direct support costs	671.3	699.6	463.9	235.7	523.6	66%
Subtotal direct operational costs	15 892.5	15 038.6	7 432.7	7 605.9	8 867.2	49%
PSA costs	480.0	480.0	432.3	47.7	432.3	90%
Critical corporate initiatives	47.4	66.9	55.4	11.5	66.9	83%
Subtotal indirect costs	527.4	546.9	487.7	59.2	499.2	89%
Total	16 419.9	15 585.5	7 920.4	7 665.1	9 366.4	51%

Largest CBT operations:
Lebanon, Bangladesh, Ukraine and Sudan

Largest food operations:
Palestine, Sudan, Ethiopia and South Sudan

Utilisation rate of Actual against Final budget and Implementation plan is 51% and 85% respectively

Final budget is lower than original by USD 834.4 million. Largest decreases were in Democratic Republic of Congo, Afghanistan, Somalia, Syria and Ethiopia.

Part 1: Accountability and reporting documents

- I. Audited annual accounts, 2025
 - b. Report of the External Auditor

Separate presentation by External Auditor

Q&A

Part 2: Resource and budgetary documents

- I. Report on the utilization of WFP's strategic financing mechanisms, 2025

WFP's Strategic Financing Mechanisms



1 Advance Financing

Internal Project Lending (IPL):

Provides spending authority to COs based on a specific forecast contribution or on total projected funding for a program.

Immediate Response Account (IRA):

Provides immediate fund of “last resort” for sudden onset emergency response and preparedness in absence of forecast contributions



2 Global Commodity Management Facility

Anticipatory food procurement based on aggregated operational needs and funding projections before contributions are confirmed to reduce delivery lead-time.



3 Corporate Services Financing

Allows WFP to make investments to harness efficiency and provide services to COs economically and efficiently through three mechanisms.

Internal Project Lending (IPL)

Provides working capital funds against donor contribution forecasts, to start early food procurement and other preparatory activities before confirmation of contribution, reducing time needed to reach beneficiaries

2025 Performance

USD 427 M

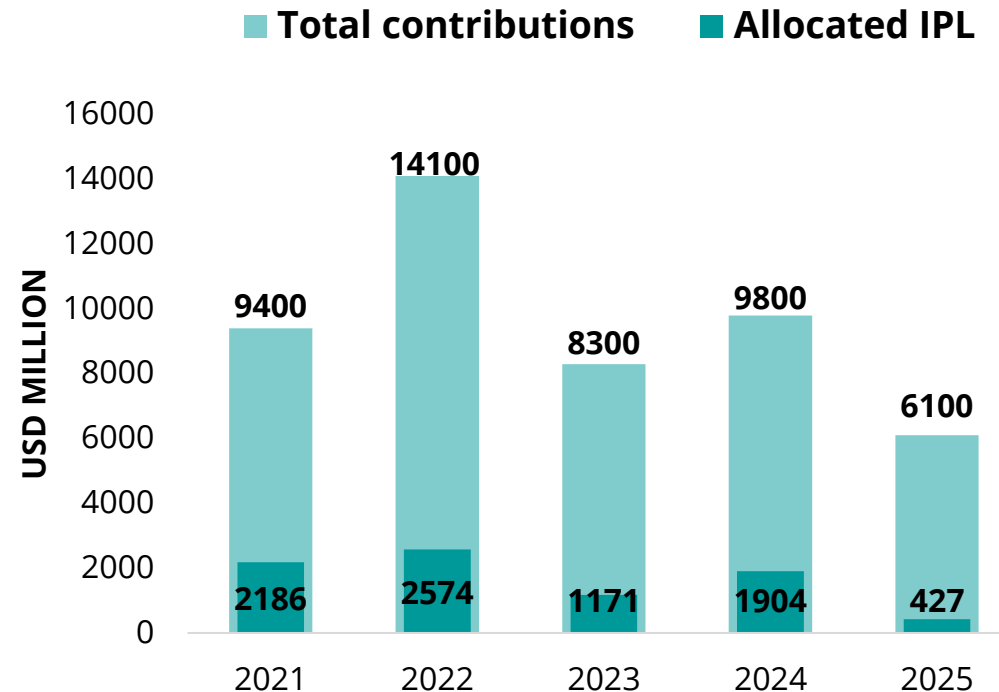
Advanced to Operations

34 CSPs

Programs supported

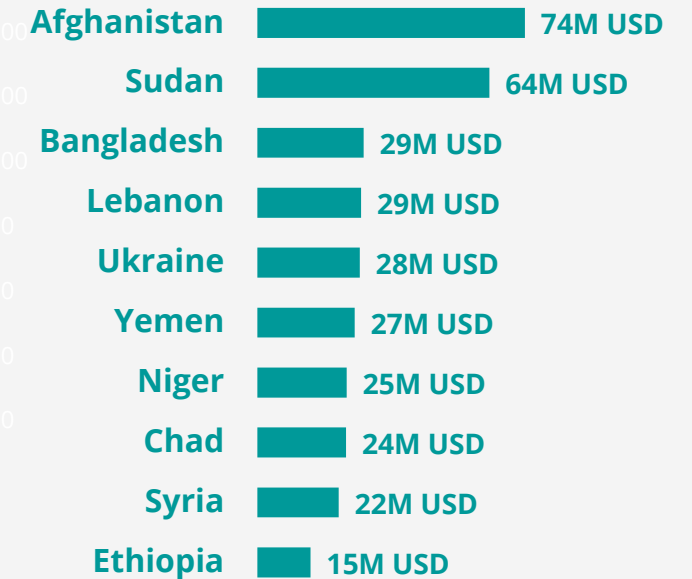
68 DAYS

Av. Time gained before contribution confirmation



2025 TOP 10 LARGEST ADVANCES

USD 337
(79% of total allocations)



Immediate Response Account (IRA)

provides funds within 72 hours to kick-start life-saving operations as 'funding of last resort' when donor contributions or forecasts (for IPL advances) are not yet available.

2025 Performance

USD 297 M

Incl. USD 4 M for preparedness
Advance totaled

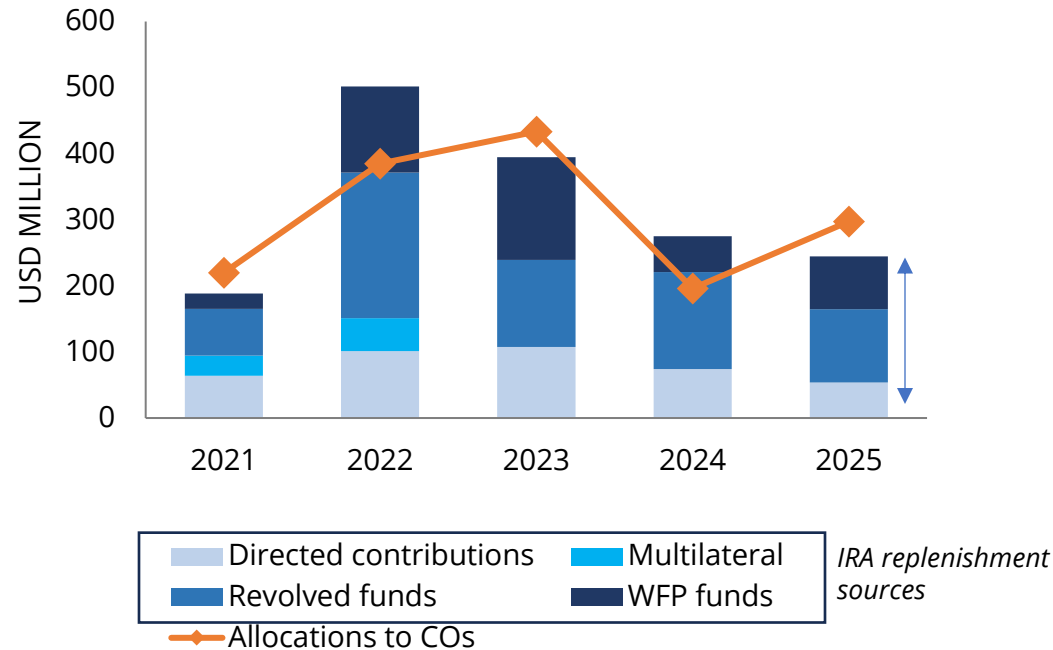
26 CSPs

Programs supported

USD 245 M

61% of 400M target
Resources mobilized

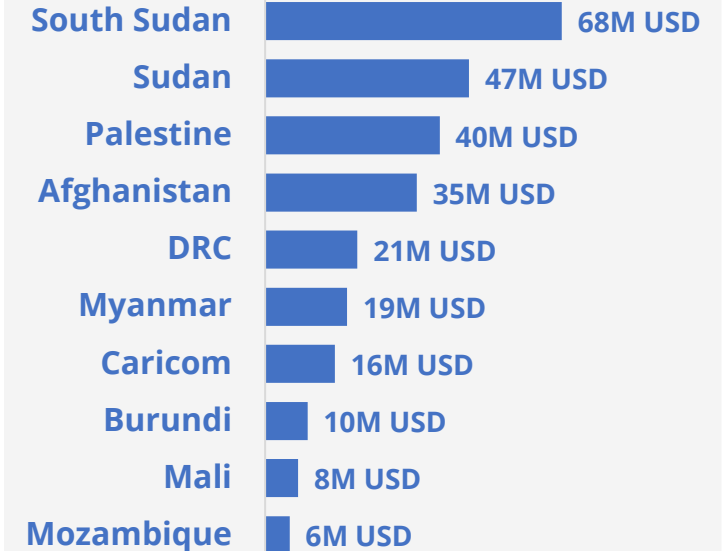
Revenue to the Immediate Response Account vs. Allocations



2025 TOP 10 ALLOCATIONS

USD 268M

(90% of total allocations)



Continuous Donor support to this mechanism is essential to maintain WFP ability to save lives

Global Commodity Management Facility (GCMF)

Purchase food in advance of confirmed contributions to reduce delivery lead time to beneficiaries

2025 Performance

805,000 MT

Valued at \$0.55 B

Food mobilized in advance

48 CSPs

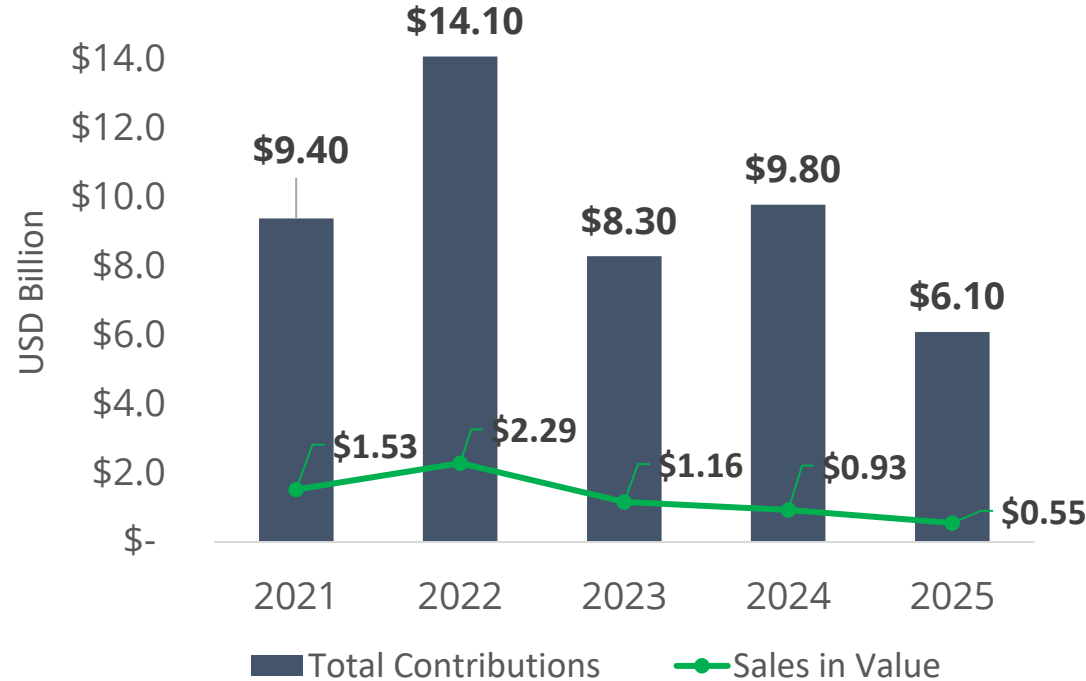
Programs supported

33 Days

69% lead time gain (74 days)

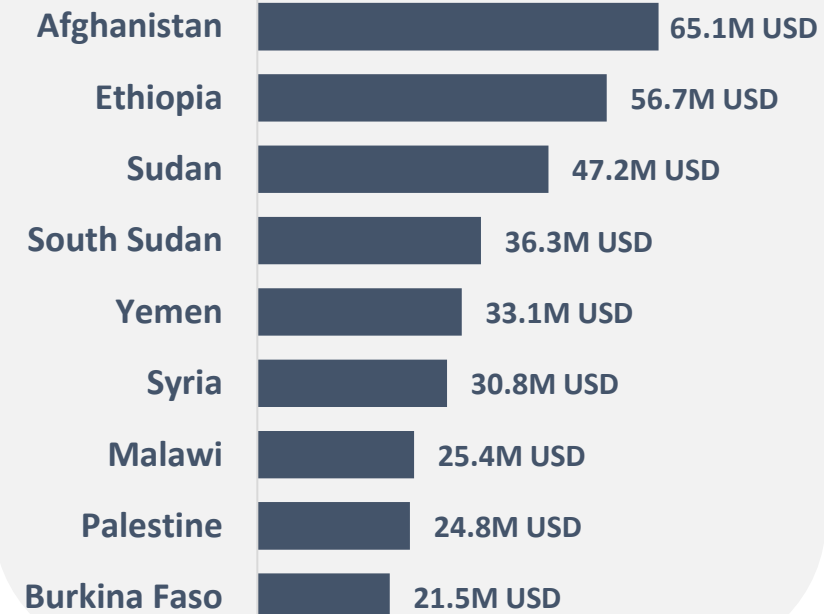
Average Lead time

COs purchases from GCMF vs total contributions



10 LARGEST PURCHASES FROM GCMF

USD 340 Million
(62% of total sales)



Corporate Services Financing

Enables WFP to advance funds for corporate services and initiatives, capital investments, multi-year projects, and fleet services.



Allocated amount **USD 25.2M**

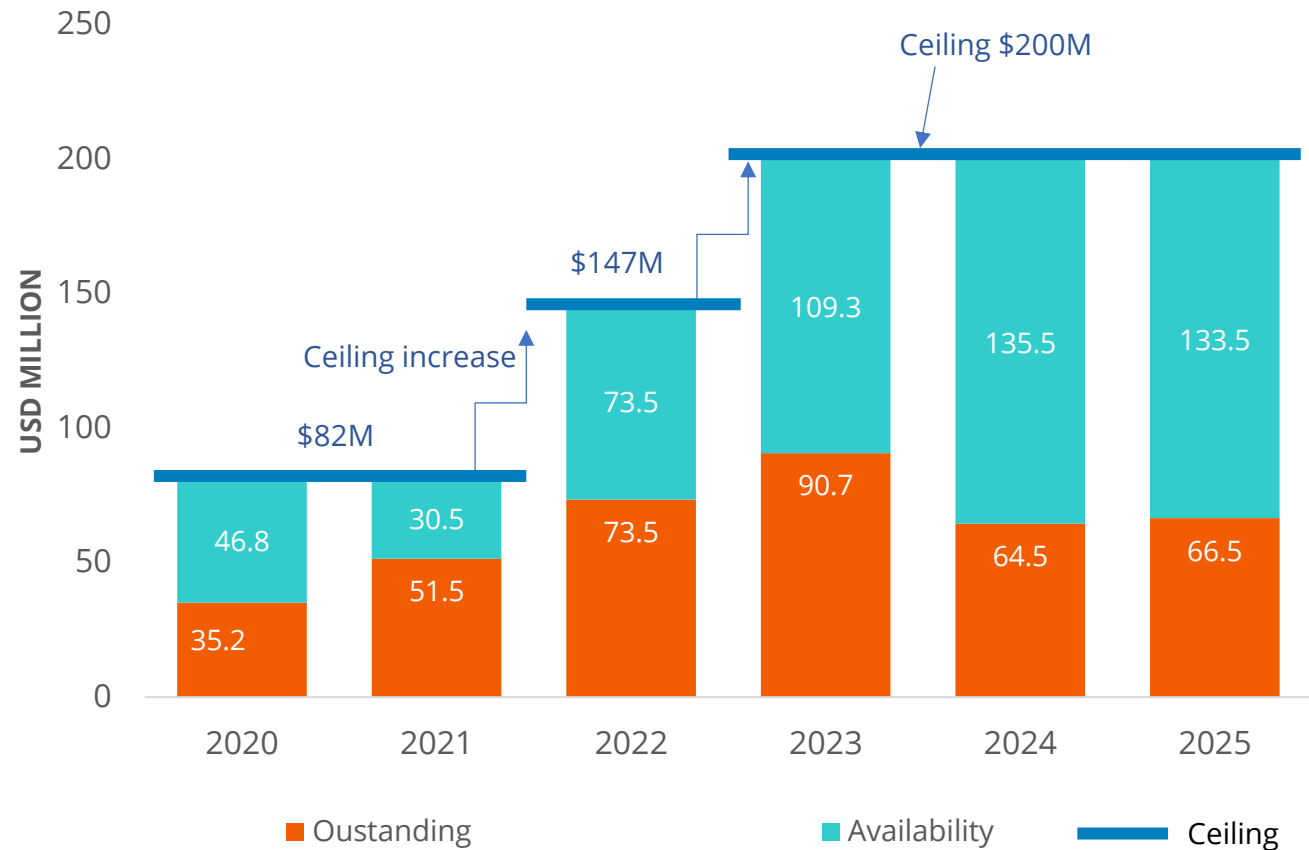


Repaid amount **USD 23.2M**



Availability **USD 133.5M**

OUTSTANDING, AVAILABILITY, AND CEILING OVERVIEW



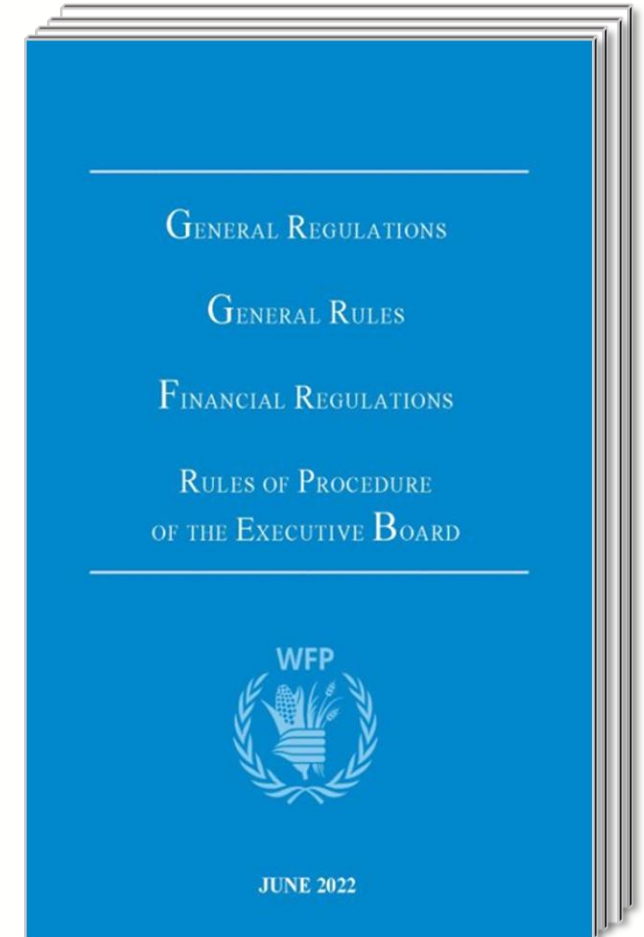
Q&A

Part 2: Resource and budgetary documents

II. Amendments to the Financial Regulations

Objectives of the proposed Amendments

- ✓ Consolidate budgetary policy for greater comprehensiveness
- ✓ Reduce the number of Management Plan decisions
- ✓ Resolve potential conflicting regulations
- ✓ Address external auditors' recommendations



What is the difference between...

WHAT & WHY



General Regulations

WFP's foundational constitution document

Approval: approved by the **UN General Assembly** and the **FAO Conference** (WFP's UN 'parent bodies').

Content Example: Article II outlines the purposes and functions of WFP.



Financial Regulations

Provide governing principles for the financial management, accounting and reporting of funds

Approval: approved by the **WFP Executive Board**.

Content Example: Details on accounting for contributions, managing funds, and procedures for payments

HOW



General Rules

Set WFP's practical general procedures on 'how-to' implement the general regulations

Approval: approved by the **WFP Executive Board**.

Content Example: Rule XIII.4.e provides the type of exceptions to the standard ISC rate (e.g. government contributions to programs in their own countries).



Financial Rules

Provide detailed and specific financial and administrative procedures

Approval: Approved by the **Executive Director**.

Content Example: Rules on budget management, delegation of financial authority, commitment and use of funds, and financial controls and accountability.



Process followed since January 2026

- **January 2026** - Informal consultation with the Board on proposed amendments to the Financial Regulations
- **February 2026** - Board engagement with the External Auditor on reporting and formal procedures related to proposed amendments
- **February–March 2026** - Bilateral consultations with Board members
- **April 2026 (Bureau meeting)** - Draft shared with EB members – additional feedback received.

Document presented to the Executive Board

- Amendments largely aligned with Management Plan 2026
- Expanded background section, incorporating FAO and ACABQ feedback
- Enhanced explanations and examples to clarify implications
- Removal of proposed changes to Financial Regulation 9.8 (PSA adjustments)
- Addition of a new section on overall impact, including on ED delegated authority
- Annex with summary and rationale for all proposed changes

Summary of amendments

1. Changes that specifically address audit recommendations

- Definition WFP budget
- Fin Reg 9.5 - approval of WFP budget
- Definition for PSAEA, new Fin Reg. 10.7 PSAEA

2. Changes needed to strengthen governance and align with operational reality

- Fin Reg 9.4: Elements of the MP
- Fin Reg 9.6: Implications of approving appropriations
- Fin Reg 9.7 : Limited ED's authority to 5% +/- Transfers across appropriations without any net increase
- Fin Reg 12.1 Internal controls/advance payments

3. Changes for consistency

- **Definitions:** Appropriation, Appropriation line, Management Plan, PSA budget;
- Fin. Regulations related to the MP: 9.1, 9.2, 9.3, 9.9;
- Renumbering of Fin. Regs. 10.7-10.9 as 10.8-10.10 due to new reg. 10.7 on PSAEA.

Q&A

Key CFO Division dates and documents in 2026

6 May	Briefing on the management plan (2027-2029)
11 May	ACABQ hearing
25-27 May	208 th session of the FAO Finance Committee
28 May	Informal consultation on the Annual Performance Report 2025
22-26 Jun	Annual session of the Executive Board <ol style="list-style-type: none">1. Audited Annual Accounts, 20252. Report on the utilization of WFP's strategic financing mechanisms (2025)3. Amendments to the Financial Regulations4. Annual Performance Report, 2025
27 Jul	First informal consultation on the management plan (2027-2029)
10 Sep	Second informal consultation on the management plan (2027-2029)
Early October	ACABQ hearing
3-4 Nov	209 th session of the FAO Finance Committee
16-20 Nov	Second regular session of the Executive Board <ol style="list-style-type: none">1. WFP management plan (2027-2029)