World Food Programme
Programme Alimentaire Mondial
Programa Mundial de Alimentos
برنامج الأغذية العالمي

Executive Board
Second regular session
Rome, 16–18 November 2026

Distribution: General
Date: 6 November 2026
Original: English

Agenda item 5
WFP/EB.2/2026/5-(A,B,C)/2
Financial and budgetary matters
For information

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

Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)

The Executive Director is pleased to submit herewith the report of the Advisory Committee on Administrative and Budgetary Questions pertaining to WFP. The report covers the following agenda item:

- WFP management plan (2027–2029) (WFP/EB.2/2026/5-A/1)
- Proposal to expand twinning eligibility (WFP/EB.2/2026/5-B/1)
- Report of the External Auditor on findings from field audits (WFP/EB.2/2026/5-C/1)
- WFP management response to the recommendations in the report of the External Auditor on findings from field audits (WFP/EB.2/2026/5-C/1/Add.1)

COPY OF LETTER RECEIVED FROM THE UNITED NATIONS — NEW YORK

Reference: AC/2384

Advisory Committee on
Administrative and Budgetary Questions

5 November 2026

Dear Mr Lindberg,

Please find attached a copy of the report of the Advisory Committee on your submission of the reports:

WFP Management Plan (2027-2029) (EB.2/2026/5-A/1); Proposal to expand twinning eligibility (EB.2/2026/5-B/1); Report of the External Auditor on findings from field audits (EB.2/2026/5-C/1) and WFP management response to the recommendations in the report of the External Auditor on findings from field audits (EB.2/2026/5-C/1/Add.1).

I should be grateful if you could arrange for the Advisory Committee's report to be placed before the Executive Board at its forthcoming session, as a complete and separate document. I would appreciate it if a copy of the document could be provided to the Advisory Committee at the earliest possible opportunity.

Yours sincerely,

Juliana Ruas
Chairperson

Mr Luke J. Lindberg
Executive Director
World Food Programme
Via Cesare Giulio Viola, 68-70
00148 Rome, Italy

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered four reports of the World Food Programme (WFP) Secretariat, which are being submitted to the WFP Executive Board second regular session to take place in Rome, Italy, commencing on 16 November 2026. The WFP Management Plan (2027–2029) (EB.2/2026/5-A/1) and the proposal to expand twinning eligibility (EB.2/2026/5-B/1) are submitted to the Executive Board for approval; the Report of the External Auditor on findings from field audits (EB.2/2026/5-C/1) and the WFP management response to the recommendations in report of the External Auditor on findings from field audits ((EB.2/2026/5-C/1/Add.1) are submitted for consideration. During the Advisory Committee's consideration of the reports, the Committee met with representatives of the WFP Secretariat and External Auditor, who provided additional information and clarification, concluding with written responses dated 2 November 2026.

II. Documents submitted to the Executive Board for approval

A. WFP management plan (2027–2029)

2. The WFP management plan (EB.2/2026/5-A/1) presents a summary of WFP's planned programme of work for 2027–2029 and the budgetary support required to implement that programme in 2027. The management plan seeks approval for the annual Programme Support and Administrative (PSA) budget, drawdowns from the PSA equalization account and unearmarked portion of the General Fund, setting the standard indirect support cost (ISC) rate, the Immediate Response Account resourcing target level, and allocate funding to critical corporate initiatives. Furthermore, WFP management seeks the approval of the Executive Board for the proposed establishment of the innovative financing facility, and approval of the 2027-2029 evaluation workplan and priorities.

Funding context

3. The report indicates that WFP projects annual contributions of about USD 6.3 billion through 2029 despite mounting pressure on official development assistance from fiscal constraints, geopolitical shifts, and competing domestic priorities. It retains broad support from a diversified base, including governments, programme countries, international financial institutions, private-sector partners, and individuals, with 84 separate funding sources as of 7 September 2026. (EB.2/2026/5-A/1, paras 12 to 19).

4. According to the management plan, WFP aims to diversify its funding base by expanding partnerships with programme-country governments, international financial institutions, pooled funds, Gulf state partners, foundations, corporations, individual donors, and innovative finance mechanisms such as climate finance, blended finance, debt conversions, and impact investing. Flexible funding remains essential for rapid crisis response, although it fell from USD 1.1 billion in 2024 to USD 850 million in 2025; WFP forecasts about USD 1 billion, or 16 percent of projected 2027 contributions, in flexible funding (ibid, paras 25 to 41).

5. Upon enquiry the Advisory Committee was informed that WFP has already secured USD 5.5 billion of its USD 6.4 billion forecast for 2026. The Committee was provided with table 1 below, indicating the trend of voluntary contribution by donors (traditional, individual, and private corporations), earmarked and non-earmarked:

Table 1

Type of donors	Donor	Type of earmarking	Trend	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Public Donors	Traditional Donors	Earmarked	6,362,778,895	4,983,117,360	5,238,039,034	6,377,272,497	7,096,114,167	6,988,512,674	7,478,845,534	11,070,865,001	5,820,879,399	7,419,322,264	4,491,406,279	3,026,193,636
		Flexyble funding	681,302,633	357,323,666	375,123,129	412,213,912	410,016,729	449,549,246	527,028,206	1,303,779,968	1,201,792,016	1,058,935,037	808,558,237	590,008,814
Private Donors	Individual Giving	Earmarked	51,279,138	7,630,549	10,119,003	7,271,768	10,131,037	25,435,900	58,363,531	78,008,396	78,380,511	86,881,545	110,421,553	91,426,728
		Flexyble funding	18,743,233	2,431,916	3,007,736	3,839,258	5,845,144	16,766,106	32,886,391	26,330,973	36,253,046	28,708,105	31,233,390	18,873,495
	Corporate	Earmarked	79,220,125	38,469,982	36,762,892	30,261,272	50,533,986	57,289,419	74,790,124	154,471,173	87,641,839	113,230,357	62,650,324	165,320,010
		Flexyble funding	7,181,464	3,761,445	5,182,654	6,502,631	8,273,072	11,734,406	6,471,112	5,253,242	8,604,969	7,967,366	9,025,634	6,219,568

Type of donors	Donor	Type of earmarking	Trend	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Private Donors	Foundations & Charities/NGOs	Earmarked	6,729,049,057	25,535,177	28,876,458	35,588,144	25,945,610	48,083,350	320,915,280	275,073,061	58,524,904	98,071,965	95,656,931	29,489,564
		Flexible funding	681,326,417	17,086	70,605	49,382	28,694	1,292,155	21,225	275,000	585,000	183,267	951,172	236,032
UN	UN	Earmarked	51,279,138	241,558,391	213,661,579	290,067,339	290,769,849	460,509,768	281,615,402	421,194,179	360,527,024	270,203,452	237,361,827	784,338,111
		Flexible funding	18,743,233									280,800		
Programe Countries	Programme countries from Domestic Funding	Earmarked	203,927,643	187,813,663	89,201,626	130,608,863	130,546,139	77,832,633	276,189,678	122,833,679	119,230,766	340,473,184	200,392,128	568,081,716
		Flexyble funding	23,785	6,000	21,000	27,647	3,500	21,000	7,000	31,000	63,484	31,000	40,000	10,000
	Programme countries from IFIs	Earmarked	290,335,301	70,902,256	59,364,362	60,342,277	22,759,706	277,255,295	507,605,492	708,636,031	495,960,610	324,691,238	467,637,634	198,533,405
		Flexyble funding												

6. **The Advisory Committee notes the contribution forecast and encourages WFP to continue its efforts to broaden its donor base and diversify its fundraising efforts. The Committee trusts that future reports will include updated information on efforts undertaken to broaden the donor base, including lessons learned. The Committee further notes the increase in estimated revenue for 2026 from UN entities, private corporate donors and domestic funding from programme countries and trusts that future management plans continue to provide an assessment of trends in revenue, including enhanced information on how changes in donor composition are impacting programme activities.**

Immediate Response Account resourcing target

7. The report indicates that WFP management is requesting approval from the Executive Board to maintain the Immediate Response Account (IRA) resourcing target level at USD 400 million for 2027, in line with the 2026 level (ibid., paras 42-45). Under Financial Regulation 4.3, the Executive Board establishes an IRA target level for a financial period. By 30 June 2026, WFP had allocated USD 123 million from the IRA across 18 countries, amid rising food insecurity, disasters, and declining contributions that are increasing demand for emergency financing.

Operational requirements

8. The Executive Board is requested to take note of projected operational requirements of USD 12.2 billion in 2027 and a provisional implementation plan of USD 7.6 billion for 2027, as outlined in section III of the management plan for 2027-2029. WFP estimates that meeting all 2027 operational needs would require USD 12.2 billion, 7 percent lower than in 2026 (EB.2/2026/5-A/1, figure 3.1), and could support about 91 million people across 83 country offices; however, its provisional plan is only USD 7.6 billion and would reach around 80 million people, leaving a USD 4.6 billion shortfall (ibid., paras 46 to 51).

9. WFP projects that nearly 60 percent of the 2027 requirement, is concentrated in its ten largest country operations, with Palestine, Sudan, Afghanistan, the Democratic Republic of the Congo and South Sudan accounting for 37 percent of total needs. WFP's provisional implementation plan totals USD 7.6 billion, supported by a USD 6.3 billion global contribution forecast, USD 1.15 billion in net carry-over and USD 150 million from on-demand services (ibid., paras 52 to 62).

10. Upon enquiry the Advisory Committee was informed that WFP projection of USD 12.2 billion for 2027 is based on country strategic plans that assess food-security and nutrition needs, expected support from governments and partners, and WFP's realistic delivery capacity. Country offices then prioritize beneficiaries, transfer values, ration sizes, and assistance duration, while calibrating the total to realistic funding expectations. Without those operational and funding constraints, WFP estimates its annual requirements would return

to roughly USD 18 to 20 billion, the pre-calibration level seen in 2022–2024. The Committee requested and received table 2 with trends in revenue and expenses from 2014 to 2026.

Table 2: Trends in revenue, expenses and surplus/(deficit) from 2014 to 2026 (rounded figures)

Table 1: Trends in revenue, expenses and surplus/(deficit) from 2014 to Q2 2026 (rounded figures)													
Years	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD Q2 2026
Revenue*	5,450	4,765	5,909	6,431	7,368	8,272	8,904	9,602	14,418	9,124	10,373	6,925	3,568
Expenses	5,215	4,816	5,368	6,219	6,640	7,613	8,054	8,882	11,448	10,864	9,040	8,659	3,819
Surplus (Deficit)	236	(51)	541	212	729	658	850	720	2,970	(1,741)	1,333	(1,734)	(251)
Fund balances	3,591	3,492	3,955	4,054	4,898	5,438	6,431	8,081	10,753	9,256	10,503	8,999	8,726
Reserves	331	278	330	380	407	432	411	509	896	659	793	672	666
Net Assets	3,923	3,771	4,285	4,434	5,306	5,870	6,842	8,590	11,649	9,915	11,296	9,671	9,392

* WFP changed its contribution revenue recognition policy in 2016 and restated 2015 comparative period balances. The policy was again changed in 2022 restating 2021 balances

11. **The Advisory Committee notes the significant impact of the application of the calibration guidelines on the estimation of operational requirements due to funding constraints, and trusts that the Executive Board will be updated on the guidelines and factors determining the final operational requirements for 2027. The Committee further trusts that updated information on contributions revenue and beneficiaries reached through WFP operations in 2026 will be provided to the Executive Board at the time of consideration of the present report.**

Programme support and business operations

12. The report provides an overview of the operations budget (ibid, paras: 91-95), components and funding sources (paras: 91-94), management results and budget principles (paras: 99-105). The report presents the 2027 programme support and business operations budget at the level of USD 755.0 million, which represents an increase of 36 million, or 5.0 percent compared with 2026. (ibid, table 4.1). Upon request, the Advisory Committee was provided with the table below indicating the Programme Support and Business Operations budget for 2025, 2026 and 2027 Plan, and actual expenditures as of 30th June 2026.

Table 3

Table 2: WFP Budget, provisional implementation plan (USD million)

Year	WFP budget	Provisional Implementation Plan	Programme support and business operations		
			PSA	CCIs	Trust Funds, Special Accounts and Other Funding Sources
2027 Plan	12,152	7,600	366.4	52.5	336.1
2026 Plan	13,043	7,700	380.0	38.8	300.2
2025 Plan (update to the MP)*	19,145	9,632	432.0	47.4	890.3
Actuals as of 30/06/2026		8,251.8	171.9	14.3	184.5

* 2025 PSA updated to reflect the utilizatio plan approved with the Update to the Management Plan (2025-2027)

Programme support and administrative budget

13. A programme support and administration (PSA) budget of USD 366.4 million, reflecting a decrease of USD 13.6 million or 3.6 percent from 2026, is proposed for the approval of the Executive Board. The report indicates that the Executive Board is requested to appropriate the PSA budget as follows (ibid., paras 106-118, table 4.2):

- Strategic direction and management: USD 90.8 million (USD 3.7 million or 4 percent lower than 2026 budget level);
- Efficient, effective and evidence-based business services: USD 170.2 million (USD 6.7 million or 4 percent lower than 2026 budget level);
- Influential advocacy and communications for effective partnerships and resource mobilization: USD 69.1 million (USD 2.2 million or 3 percent lower than 2026 budget level);
- Robust governance and independent oversight: USD 36.3 million (USD 1.0 million or 3 percent lower than 2026 budget level)

14. The report indicates that WFP's proposed 2027 PSA budget is designed to break even with projected Indirect Support Cost (ISC) income, based on maintaining the 6.5 percent ISC rate, with previously approved exceptions allowing a reduced rate of 4 percent, while preserving reserves for essential strategic investments rather than repeating the USD 15 million reserve draw used in 2026. The Advisory Committee was provided with an updated table 4, upon request, with information on the management results 1, 2, 3 and 4, for 2024 and 2025 received from PSA and from baseline budget, and approved for 2026 and proposed for 2027 both from PSA and from baseline budget.

Table 4

Baseline (*USD million*)	**PLAN**		**EXPENDITURES**	
Appropriation line	**2027**	**2026**	**2025**	**2024**
1. Strategic direction and management	102.3	110.7	134.7	137.4
2. Efficient, Effective and Evidence Based Business Services	315.6	301.7	336.1	389.3
3. Influential advocacy and communications for effective partnerships and resources mobilization	147.3	127.9	163.4	135.7
4. Robust governance and independent oversight	37.2	38.5	40.5	44.8
Grand Total	**602.4**	**578.8**	**674.7**	**707.2**

PSA (*USD million*)	**PLAN**		**EXPENDITURES**	
Appropriation line	**2027**	**2026**	**2025**	**2024**
1. Strategic direction and management	90.8	94.5	97.6	99.8
2. Efficient, Effective and Evidence Based Business Services	170.2	176.9	214.9	247
3. Influential advocacy and communications for effective partnerships and resources mobilization	69.1	71.3	80.3	92.4
4. Robust governance and independent oversight	36.3	37.3	39.5	41.7
Grand Total	**366.4**	**380.0**	**432.3**	**480.9**

15. **The Advisory Committee notes that the proposed baseline budget represents a 5.0 percent increase compared with 2026, while proposed PSA budget represents a 3.6 percent decrease. Regarding the variance of proposed amounts for the different appropriation lines, the Committee notes that strategic direction and management and robust governance and independent oversight have proposed decreases both for baseline and PSA, while efficient, effective and evidence-based business services and influential advocacy and communications have decreases under PSA and increases under baseline comparing the proposal for 2027 with the plan for 2026. The Committee trusts that future reports will provide further analysis of the reasons for such variations and their implications for the overall funding of management costs.**

16. Upon enquiry the Advisory Committee was informed that WFP faces a growing risk environment amid declining revenue and a 36 percent reduction in its PSA budget since 2023, even as it seeks to sustain strong independent oversight and invest in second-line functions such as risk management, the Ombudsman, and the Ethics Office to resolve conduct and compliance concerns early. The Office of the Inspector General (OIG) has faced successive budget cuts, 10 percent since 2023, with further reductions planned through 2027, while investigation demand rose 16 percent year-on-year to 1,474 allegations by 31 August 2026; although closures and backlog reduction improved substantially, intake delays and audit coverage gaps persist, with 41 of 85 country offices overdue for audit and actual audit cycles exceeding prescribed timelines. The Office of Evaluation has likewise been constrained, reducing policy and strategic evaluations to two per year and limiting impact-evaluation capacity, while a high number of overdue recommendations remains a risk. **The Advisory Committee trusts that the impact of budget reductions on accountability, oversight and evaluation processes will continue to be monitored and risk-mitigation diligently implemented. The Committee is of the view that the Executive Board should be provided with regular updates on the efforts to mitigate the challenges faced by the oversight and risk management functions.**

Executive Director's authority to implement changes to the PSA budget

17. The report indicates that previous management plans have authorized the Executive Director to adjust the PSA budget within defined limits to respond to changes in operational levels while maintaining fiscal discipline. If forecast contributions and ISC income increase, the PSA budget may be increased by no more than 2 percent of the anticipated increase in the contribution forecast; if they fall below expectations, the PSA appropriation may be reduced by up to 10 percent through feasible cost-saving measures. (ibid., paras 112-113)

Organizational structure and internal reorganization

18. The report indicates that WFP's organizational structure, is based on the two-layer structure introduced in May 2025 and reflecting the May 2026 organization, WFP consolidated its global headquarters and six regional bureaux into one global headquarters, with a Rome office and five regional offices, to reduce duplication and improve efficiency through integrated teams and shared resources. Its workforce declined from just over 22,000 at the beginning of 2025 to just above 18,500 by June 2026, with PSA-funded positions falling 42 percent from the original 2024–2026 management plan and 27 percent since 2025, following a recruitment pause and funding-alignment measures. Accordingly, the proposed 2027 PSA budget is USD 65.9 million lower than 2025 expenditure, with the largest reduction in staff costs (USD 41.8 million), followed by decreases in contributions to other United Nations entities, commercial consultancy, consultancy and temporary assistance, and communication and IT services (ibid., paras 119-124 and figure 4.3).

19. Upon enquiry, the Advisory Committee was informed that WFP moved to a two-layer structure to simplify its organization by consolidating headquarters functions, reducing duplication and management layers, and bringing decision-making closer to country offices while retaining corporate oversight. WFP will complete the transition in 2026, assess the operating model in 2027, and issue a preliminary lessons-learned report in the first quarter of 2027, alongside an independent cost-benefit assessment. Key performance indicators, including support quality, emergency surge-mobilization time, and cost savings, will first be assessed in early 2027, with an external consultancy evaluating annual savings.

20. **The Advisory Committee considers that the restructuring of WFP merits a comprehensive review, with results to be presented to the Executive Board. The review should provide evidence-based information and quantifiable indicators on operational impact and efficiencies achieved, delineating genuine resource optimization and efficiencies from cost reductions driven by declining contribution**

levels. The review should also include information on changes in accountability arrangements, any risks identified and mitigation measures adopted.

21. Upon enquiry, the Advisory Committee was informed that WFP consolidated its Johannesburg and Nairobi regional bureaux into the Nairobi-based Eastern and Southern Africa Regional Office to reduce structural costs amid severe resource constraints while maintaining effective support to country offices, retaining a minimal Johannesburg presence for essential functions such as aviation safety and regional engagement. The transition presented challenges in sustaining support across an enlarged region, transferring institutional knowledge and technical expertise, clarifying responsibilities under a shift from a three-layered to a two-layered structure, managing staff separations and reassignments with appropriate duty of care, and transferring or closing outstanding obligations. Lessons from the closure of the Regional Office for Southern Africa include the importance of transparent decision-making, early and consistent communication, formal handover plans with clear accountability, systematic records and knowledge management, and early assessment of receiving offices' capacity and country office support needs. WFP has maintained engagement with South Africa, Southern African Development Community (SADC) and its Member States, including through regular dialogue and a renewed WFP–SADC Memorandum of Understanding for 2026–2030 covering food security, disaster risk management, anticipatory action, social protection, school feeding and regional food systems. **The Committee trusts that further information on WFP engagement with regional and subregional organizations in the determination of its regional restructuring will be provided to the Executive Board.**

PSA budget by object of expenditure and level of staffing

22. The report indicates that fixed-term staff costs remain the largest component of WFP's PSA staffing budget. WFP will retain 82 percent of PSA-funded positions on fixed-term contracts to preserve continuity, expertise and operational resilience, while maintaining 18 percent as short-term contracts for flexibility and specialized capacity, and will update its staffing framework in 2027 around duty of care, flexibility, simplification and harmonization (ibid., paras 147-152 and tables 4.4 and 4.5). Upon request, the Advisory Committee was provided with the table below, with information on the PSA funded post count by organizational level.

Table 5

TABLE A.II.1: PROGRAMME SUPPORT AND ADMINISTRATIVE POST COUNT* BY ORGANIZATIONAL LEVEL

	Year	ED	ASG	D-2	D-1	P-5	P-4	P-3	P-2	P-1	Headquarters GS	National	Fixed-term total	Professional and higher (short-term)	Consultants	Temporary assistance	Short-term total	Total
Country Offices	2024			20	29	34	1					180	**264**					**264**
	2025			22	26	37	1					177	**263**					**263**
	2026			22	23	29	1					151	**226**			50	**50**	**276**
	2027			16	27	35	3					164	**245**			30	**30**	**275**
Regional Bureaus	2024			6	10	43	91	62	8			364	**584**	0	82	47	**129**	**713**
	2025			6	10	42	86	63	9			335	**550**	1	67	46	**114**	**664**
	2026																	
	2027																	
Global headquarters	2024	1	5	22	45	131	244	276	94	13	441	112	**1,383**	37	375	80	**493**	**1,876**
	2025	1	4	22	52	121	239	280	82	6	420	154	**1,382**	25	338	56	**418**	**1,800**
	2026	1	4	24	42	134	266	257	67	5	356	325	**1,483**	14	239	90	**343**	**1,826**
	2027	1	4	24	41	122	241	243	62	3	343	306	**1,390**	10	256	63	**329**	**1,719**
Deputy Executive Director and Chief Operating Officer and regional director offices	2024		1	3	4	7	17	10	4	0	26	0	**72**	5	19	4	**28**	**101**
	2025		1	2	4	9	21	15	5		25		**83**	2	21	3	**26**	**109**
	2026		1	7	7	11	27	15	4	1	23	32	**129**	1	18	5	**24**	**153**
	2027		1	7	7	8	26	15	4		23	30	**120**	2	17	5	**24**	**144**
Executive Director and Chief of Staff	2024	1	1	6	13	38	68	84	34	4	93	40	**381**	8	89	17	**114**	**495**
	2025	1		6	14	37	74	91	32	4	85	92	**436**	4	76	16	**95**	**531**
	2026	1		6	13	37	72	77	25	3	69	106	**408**		60	26	**86**	**493**
	2027	1		6	14	34	65	76	23	2	63	89	**372**	1	64	25	**90**	**462**
Partnerships and Innovation	2024		1	4	8	17	36	44	8		59	12	**190**	4	75	10	**88**	**278**
	2025		1	6	12	15	30	44	7	1	49	11	**176**	1	51	8	**60**	**237**
	2026		1	5	7	16	26	31	7		35	12	**140**	2	46	13	**60**	**201**
	2027		1	6	6	16	21	25	7		36	13	**129**	1	49	6	**56**	**184**
Programme Operations	2024		1	5	14	43	79	79	18	7	85		**331**	13	81	17	**110**	**441**
	2025		1	4	14	35	71	63	11		86		**285**	8	66	6	**80**	**365**
	2026		1	2	9	40	91	71	9		76	79	**377**	6	48	7	**61**	**438**
	2027		1	2	10	38	86	79	12		74	74	**375**	2	53	7	**62**	**437**
Workplace and Management	2024		1	4	7	27	44	57	29	2	178	60	**409**	9	112	32	**153**	**562**
	2025		1	4	9	25	44	66	27	1	175	51	**402**	10	123	23	**156**	**558**
	2026		1	4	6	30	50	64	23	1	153	97	**428**	5	69	39	**112**	**541**
	2027		1	4	4	27	44	49	17	1	147	100	**393**	4	73	20	**98**	**491**
Central appropriations	2024			1	1	3	2	3			5		**15**					**15**
	2025				1	4	2	3			4		**14**					**14**
	2026					3	2	1			3		**9**		4		**4**	**13**
	2027					1	2	2			5		**10**		5		**5**	**14**
Total	**2024**	**1**	**5**	**49**	**86**	**210**	**338**	**340**	**102**	**13**	**446**	**656**	**2,246**	**37**	**457**	**127**	**622**	**2,868**
	2025	**1**	**4**	**50**	**89**	**205**	**328**	**345**	**91**	**6**	**424**	**665**	**2,209**	**26**	**405**	**102**	**532**	**2,741**
	2026	**1**	**4**	**46**	**65**	**166**	**269**	**258**	**67**	**5**	**359**	**476**	**1,718**	**14**	**243**	**140**	**397**	**2,115**
	2027	**1**	**4**	**40**	**68**	**158**	**246**	**245**	**62**	**3**	**348**	**470**	**1,645**	**10**	**261**	**93**	**364**	**2,009**

* Post count is measured in FTE: number of full-time equivalent staff members and non-staff employees.
** Planned figures for 2024 and 2025. 2024 PSA is based on the PSA utilization plan presented in the Update to the WFP management plan (2024–2026).
Abbreviations: ASG = Assistant Secretary-General; ED = Executive Director; GS = General Service; HQ = headquarters.

*** DED Dept includes ROs in 2026 and 2027

23. Upon request, the Advisory Committee was provided with the table below, indicating the WFP staff headcount by grade level in the last 6 years.

Table 6

WFP Employees, by type and Grades	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/08/2026
Grand Total	**20,072**	**21,189**	**23,187**	**23,955**	**22,438**	**19,854**	**18,722**
Staff	**8,371**	**9,954**	**11,968**	**12,812**	**12,322**	**11,427**	**10,430**
USG	1	1	1	1	1	1	
ASG	5	5	3	3	4	4	4
D-2	52	54	53	55	57	47	39
D-1	124	122	124	133	127	124	102
P-5	329	359	390	405	405	346	319
P-4	540	723	786	877	880	840	758
P-3	806	767	853	989	972	917	834
P-2	196	172	224	283	263	205	185
P-1	11	6	10	20	14	10	7
NO-D	10	13	17	15	15	14	10
NO-C	148	169	184	199	194	191	165
NO-B	602	658	726	837	861	835	784
NO-A	676	768	908	1,022	1,096	1,112	1,071
G-7	260	313	330	341	319	282	251
G-6	1,365	1,605	1,912	2,090	2,087	2,002	1,872
G-5	1,211	1,539	1,882	1,970	1,887	1,801	1,610
G-4	799	1,007	1,331	1,282	1,166	1,007	877
G-3	372	466	549	571	472	418	353
G-2	837	1,116	1,514	1,558	1,391	1,182	1,122
G-1	27	91	171	161	111	89	67
Affiliates	**11,412**	**10,790**	**10,641**	**10,736**	**9,759**	**8,160**	**7,843**
Other ST (Int, Vol, FWH)	**289**	**445**	**578**	**407**	**357**	**267**	**449**

24. **The Advisory Committee trusts that the next Management Plan will include detailed information on changes in workforce composition and the use of contractual modalities, as well as on the staffing framework update, including on the indicated simplification, flexibility and harmonization.**

Indirect support cost rate

25. The report indicates that the Executive Board is requested to approve a standard indirect support cost recovery rate at 6.5 percent for 2027 for all contributions except for such contributions received pursuant to General Rule XIII.4 (e), for which an indirect support cost recovery rate of 4 percent shall apply. According to the management plan, the indirect support cost (ISC) rate is calculated to ensure that the cost of the activities defined in the PSA budget can be fully funded from projected contribution revenue. Assuming a global contribution forecast of USD 6.3 billion for 2027 and an ISC standard rate of 6.5 percent, with exceptions of 4 percent for specific cases as approved by the Board, the ISC income in 2027 will be USD 366.4 million. The calculated ISC rate is 6.61 percent based on the lower funding forecast and lower indirect expenditure (ibid., para 153 to 156, and table 4.6), however an increase in the ISC rate is not necessary as the projected new ISC income is sufficient to cover the projected indirect support costs.

26. Upon enquiry the Advisory Committee was informed the proposed PSA budget is calibrated within projected ISC income and the broader financial framework, while maintaining adequate reserves and financial sustainability. **The Advisory Committee notes positively that the proposed PSA budget is within the projected ISC income and reiterates its earlier recommendation that routine analysis of ISC methodology using long-term historical data on actual income and expenditure could enhance its precision. The Committee remains of the view that the indirect support cost methodology should be kept under review and relevant information provided to the Executive Board.**

Reserves and fund balances

Programme support and administrative equalization account

27. The report indicates that with projected opening balances of USD 274.7 million in the Programme support and administrative equalization account (PSAEA), WFP proposes to use USD 28.9 million from the PSAEA to replenish the wellness fund (USD 2 million) and to support five critical corporate initiatives (CCIs) (USD 26.9 million). After these allocations, the PSAEA balance is projected to end 2027 at USD 245.8 million, still well above its USD 152.7 million target ceiling, equivalent to five months of PSA expenditure (ibid., paras 157-160, table 4.7). The Executive Board is also requested to approve the use of the PSAEA to fund any shortfall between indirect support cost revenue from contributions and the programme support and administrative appropriation.

28. Upon request, the Advisory Committee was provided with the tables below that indicate PSAEA movements from 2012 to 2026 and the balance vis-à-vis the target level of 5 months of PSA expenditure from 2012 to 2025

Table 7: PSAEA movements from 2012 to 2026

PSAEA movements from 2012 to 2026

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Opening balance	**114.4**	**102.8**	**121.3**	**189.8**	**138.3**	**212.5**	**256.8**	**247.1**	**249.5**	**231.6**	**364**	**634.6**	**401.5**	**457.1**	**388**
Open PSA Purchase Orders															-20.3
Change in accounting policy					-14.8					37.4					
Approved EB allocations	-21.6	-20	-9.2	-37.2	-20	-13.5	-65.6	-77.3	-47.7	-32.2	-101.8	-200.5	-63.5	-3.9	-78
Transfer to IRA				-50		-15	-44		-52.5						
Repayments of unspent balance for EB allocations	3.5	1.9	1.7	2.3	0.2	0.4	0.6	0.1		0.2		0.9			
Surplus/ (deficit) of ISC revenue from PSA expense	6.5	36.6	76	33.4	108.8	72.5	99.3	79.6	82.3	127	372.4	-33.5	119.1	-65.2	-15
Closing balance	**102.8**	**121.3**	**189.8**	**138.3**	**212.5**	**256.8**	**247.1**	**249.5**	**231.6**	**364.0**	**634.6**	**401.5**	**457.1**	**388.0**	**274.7**

Table 8: Level of PSAEA balance vis-à-vis the target level of 5 months of PSA expenditure from 2012 to 2025

Level of PSAEA balance vis-à-vis the target level of 5 months of PSA expenditure from 2012 to 2025

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Closing balance	103	121	190	138	212	257	247	250	232	364	635	402	457	388
Target Level (5 months)	104	104	117	117	121	140	140	161	177	185	207	240	220	200

Replenishment of the wellness special account

29. The report indicates that WFP management is requesting the Executive Board to approve the replenishment of the Wellness fund in the amount of USD 2 million from the PSAEA account. WFP had allocated USD 8 million from the PSAEA to the wellness special account in its 2026–2028 management plan to operationalize its 2025–2030 wellness strategy. However, WFP's emergency response to the Ebola virus outbreak in Eastern Africa required an estimated USD 2 million, sharply reducing the account's balance and limiting funding for wellness investments elsewhere (ibid., paras 161-162).

Critical Corporate Initiatives

30. The Executive Board is requested to approve the transfer of USD 26.9 million from the PSAEA account in support of five critical corporate initiatives (CCIs), two ongoing and three new initiatives. The corresponding amounts for approval are:

i. *International Public Sector Accounting Standards (IPSAS) implementation* (USD 4.4 million): ongoing CCI aimed to support adoption of six newly issued IPSAS standards effective in 2025 and 2026, ensuring WFP's accounting policies, processes, systems and disclosures remain aligned with mandatory requirements (ibid, para 166, Annex III- Concept Notes);

ii. *WFP Digital Business Transformation (2025-2028)* (USD 10.0 million): ongoing CCI aimed to modernize WFP's digital capabilities, improve operational efficiency, and ensure technology investments align with frontline and corporate priorities (ibid, paras 167-168, Annex III- Concept Notes);

iii. *UN80: Delivering integrated services, systems and data across the United Nations system (2027-2028)* (USD 7.2 million): new CCI which supports the UN80 reform initiative and humanitarian reset by strengthening WFP's integrated supply chains, cash delivery, identity assurance, common back-office and shared services, and interoperable data and accountability systems (ibid, paras 169-171, Annex III- Concept Notes);

iv. *Scaling innovative finance for WFP delivery and impact (2027-2028)* (USD 2.7 million): new CCI with goal to build WFP's capacity to execute innovative finance transactions by strengthening a repeatable corporate operating model and the WFP Innovative Financing Facility, so that WFP closes more transactions faster and at lower cost (ibid, para 172, Annex III- Concept Notes);

v. *Upskilling country office teams for resource mobilization strategy implementation (2027-2028)* (USD 2.6 million): new CCI to strengthen country-level resource mobilization by building sustainable fundraising and partnership capacity, reducing reliance on centralized support, and integrating public-sector, private-sector and innovative-finance opportunities into a coherent portfolio under WFP's 2026–2029 strategy (ibid, para 173, Annex III- Concept Notes);

31. For ongoing CCIs, Annex III, Table A.III.1 presents the unaudited cumulative expenditures since their inception up to 30 June 2026. The table also includes projected expenditures for the second half of 2026, as well as for 2027 and beyond. Upon request, the Advisory Committee was provided with the tables below that indicate the CCI budget since 2021 and CCI expenditures as at 8 October 2026.

Table 9:

Critical Corporate Initiative	Total approved budget	CCI budget overview (for CCIs approved between 2021-2026), USD million										
		Expenditures: 2021-2026						Budget: 2027 and beyond				
		2021	2022	2023	2024	2025	2026*	2027	2028	Total 2027-2028	Less: previously approved and carry over from 2026	Requested new funding
Private sector strategy	**39.2**	22.1	17.1									
Termination indemnity fund**	**10.0**	0.1	0.9	0.2	1.5	7.0						
Investing in WFP People	**79.3**		19.6	28.0	20.4	10.3						
Strategic Plan and CRF Implementation	**29.0**		1.8	10.5	14.3	2.4						
COSMOS**	**6.2**			2.0	2.5	0.1	0.5					
UNSDG Efficiency Roadmap	**13.4**			5.6	5.2	2.6						
Corporate Process Optimization	**21.0**				11.0	10.0						
Fit-for-Future in a Changed Funding Landscape	**7.9**				5.9	1.9						
Monitoring, IDM and Traceability	**26.7**				12.2	9.8	4.7					
Duty of care and inclusion	**5.1**					2.3	2.8					
Digital integration and modernization	**11.0**					5.7	5.3					
IPSAS implementation	**9.5**					2.1	2.2	5.2	-	**5.2**	0.8	**4.4**
Positioning WFP to unlock diverse funding	**5.1**					1.4	2.4	1.3	-	**1.3**	1.3	**-**
Implementation of global shared services strategy	**10.0**						2.4	4.8	2.8	**7.6**	7.6	**-**
WFP digital business transformation plan***	**70.0**						18.2	32.7	19.2	**51.9**	41.9	**10.0**
Scaling innovative finance for WFP's delivery and impact	**2.7**							1.35	1.35	**2.7**	-	**2.7**
UN80: Delivering integrated services, systems and data across the United Nations system	**7.2**							5.9	1.3	**7.2**	-	**7.2**
Upskilling country office teams for resource mobilization strategy implementation	**2.6**							1.3	1.3	**2.6**	-	**2.6**
TOTAL	**355.9**	**22.2**	**39.4**	**46.4**	**73.0**	**55.6**	**38.5**	**52.5**	**26.0**	**78.4**	**51.5**	**26.9**

* Projected expenditures for 2026

** The unspent balances under Termination Indemnity (USD 0.2 million), Investing in WFP People (USD 1.1 million), COSMOS (USD 1.0 million) and Fit for Future (USD 0.1 million) will be surrendered to corporate reserves (PSAEA)

*** Total funding of USD 70 million includes the funds from the PSA equalization account and does not include USD 20 million from partners' contributions and the Capital Budgeting Facility as indicated in the MP-2027.

Table 10

2021-2026 CCI report as at 08 October 2026

CCI expenditure report by Cost Item* as at 08 of Oct'2026**

CCI name	Approved budget	Timeframe***	Staff Cost	Consultancy and temp assistance	Travel	Training, meetings and workshops	Rent, Utilities and Supplies	Communications and IT Services and Equipment	Insurance and legal fees	Services from and contributions to other UN entities	Commercial Consultancy Services	Grand Total****
Private Sector Strategy	39.2	2021-2022	-	-	-	-	3.9	28.2	-	-	7.1	**39.2**
Termination Indemnity Fund	10.0	2021-2025	9.7	-	-	-	-	-	-	-	-	**9.8**
Investing in WFP People	79.3	2022-2025	32.6	16.2	7.5	5.5	5.2	1.8	-	-	9.2	**78.2**
SP CRF Implementation	29.0	2022-2025	4.3	8.0	1.6	0.4	0.7	6.4	-	0.1	7.5	**29.0**
COSMOS	6.2	2023-2025	2.5	1.9	0.2	0.0	0.4	0.1	-	0.0	0.1	**5.2**
UNSDG Efficiency Roadmap	13.4	2023-2025	2.2	3.6	0.9	0.1	3.4	1.1	-	0.2	1.8	**13.4**
Corporate process optimization	21.0	2024-2025	2.9	2.7	0.3	0.1	0.8	2.6	-	0.1	11.5	**21.0**
Fit for future in a changed funding landscape	7.9	2024-2025	3.5	2.0	0.3	0.0	0.6	0.7	-	-	0.6	**7.8**
Monitoring, Identity Management and Traceability	26.7	2024-2026	6.9	7.1	1.2	0.2	0.2	3.7	-	-	6.2	**25.5**
IPSAS implementation	9.5	2025-2027	2.4	0.6	-	-	-	0.1	0.4	-	0.7	**4.3**
Duty of care and inclusion	5.1	2025-2026	1.6	1.2	0.1	0.1	0.8	0.6	-	-	0.2	**4.6**
Digital integration and modernization	11.0	2025-2026	0.4	2.1	-	-	-	3.7	-	0.4	2.5	**9.2**
Positioning WFP to unlock diverse funding	5.1	2025-2027	1.0	1.5	0.2	0.0	-	0.3	-	0.1	0.1	**3.3**
Implementation of global shared services strategy	10.0	2026-2028	0.6	0.2	-	-	0.2	0.1	-	-	0.1	**1.2**
WFP digital business transformation plan	70.0	2026-2028	2.1	3.8	0.2	-	-	1.7	-	-	5.5	**13.4**
Grand Total	**343.4**		**72.9**	**51.1**	**12.5**	**6.3**	**16.2**	**51.0**	**0.4**	**1.0**	**53.2**	**265.1**

*Starting from 2026, the cost Item " Other" was discontinued, and the related budgets and expenditures were remapped to other cost lines.

**Total expenditures are reported in accordance with the applicable fund status for each year and CCI, including actuals and, where relevant, valid commitments and pre-commitments.

*** Considering subsequent approved extensions for some CCIs

****Total expenditures are different from the first table, as 2026 expenditures and commitments here are as of 08.10.2026, while figures in the first table consider 2026 total projected expenditures

32. **The Advisory Committee notes that the proposed budget for Critical Corporate Initiatives (CCIs) for 2027 has an increase of 13.7 million or 35.3 percent compared to CCI budget for 2026. The Committee also notes that, of the USD 265.1 million reported expenditure between 2021 and 2026 (as of latest), USD 177.2 million, or 66.8 percent, corresponds to staff, consultants and external consultancy service costs. The Committee trusts that WFP will continue to make efforts to improve the transparency of the initiatives, including detailed breakdown and justification of project costs, clear project baselines and objectives and quantification of expected improvement and efficiencies, as appropriate. The Committee further trusts that the Executive Board be provided with regular updates on the performance information of ongoing CCIs and the results achieved to date.**

33. Upon enquiry, the Advisory Committee was informed that on the CCI for UN80, WFP is aligning its six UN80 CCI deliverables with existing UN and inter-agency frameworks, governance arrangements, standards, and shared platforms rather than creating stand-alone solutions. Returns on the investment will differ by deliverable, ranging from avoided system-development and administrative costs to potential annual savings of tens of millions of dollars in cash delivery, demonstrated reductions in duplicate assistance and manual review through identity assurance, and up to USD 1 million annually from data and analytics, while also producing non-financial benefits such as stronger assurance, faster delivery, improved accountability, and better use of shared UN capabilities. WFP is financing the initial investment because it strengthens and scales existing WFP platforms where it has comparative advantage and expects direct benefits; participating agencies contribute to

design, governance, and implementation, and WFP will explore shared investment, cost-sharing, or jointly financed type arrangements as uptake matures.

34. **The Advisory Committee reiterates its past observation that where WFP becomes a service provider for UN common services, these should be accounted for through special accounts or service provision activities within country strategic plans. The Committee further underscores the importance of enhanced transparency on cost-recovery income and expenses and trusts that additional information in that regard will be provided in future reports.**

Use of the unearmarked portion of the General Fund

35. The report indicates that the unearmarked portion of the General Fund is funded mainly by investment income from cash balances and foreign exchange income from treasury transactions credited under Financial Regulation 11.3 and is projected to open 2027 at USD 375.6 million. With projected 2027 earnings of USD 115.0 million, WFP management proposes allocating USD 80 million for strategic investments in WFP's future and strengthening reserves. These uses would leave a projected year-end balance of USD 408.2 million, well above the prudent balance of USD 150 million (ibid., paras 174-175, table 4.9). The Executive Board has been requested to approve the allocation of USD 80 million from the unearmarked portion of the General Fund to the following:

    a) replenish the Immediate Response Account by the amount of USD 30 million to improve the availability of funds for allocations from that account;

    b) replenish the country office safety net by the amount of USD 15 million to continue to support country offices that face acute financial distress and to address unforeseen and urgent costs;

    c) invest the amount of USD 20 million as the third tranche of funding for the individual fundraising model;

    d) allocate the amount of USD 15 million for the establishment of the innovative financing facility to provide catalytic capital that will unlock multi-year financing solutions;

36. The Executive Board is also requested to approve WFP's plan for establishing the innovative financing facility to provide catalytic capital that will unlock multi-year financing solutions.

Replenishment of the Immediate Response Account (IRA)

37. WFP management is requesting the Executive Board to approve the replenishment of the Immediate Response Account in the amount of USD 30 million from the unearmarked portion of the General Fund. The transfer will improve the availability of funds in the first quarter of 2027 while WFP continues to engage with donors to replenish the IRA (ibid., paras 176-178).

Country office safety net

38. The Executive Board is requested to approve an allocation of USD 15 million from the unearmarked portion of the General Fund to support country offices adjusting to reduced resourcing levels. Established in the 2024–2026 management plan, the country office safety net has been funded by successive allocations from the unearmarked portion of the General Fund, with USD 85.3 million allocated to country offices as of July 2026 to bridge cooperating-partner costs, fund retargeting exercises and community feedback mechanisms, support cost-saving investments, temporarily cover fixed costs, and manage footprint reductions such as warehouse and office closures and termination indemnities (ibid., paras 179-181). Upon request, the Advisory Committee was provided with the table below indicating the utilization and balances of the funds of the Country Office Safety Net initiative as of 30 September 2026.

Table 11

	Allocations				
CO Safety Net	**2024**	**2025**	**2026***	**Total**	**%**
Assurance plan support	28.2	2.4	-	30.6	35%
Work force realignment (incl indemnities)	14.9	7.0	7.4	29.3	33%
Fixed costs	13.4	3.5	2.1	19.0	21%
Other	3.8	1.0	5.3**	10.1	11%
Total	**60.3**	**13.9**	**14.8**	**89.0**	
EB approved	**85.0**	**40.0**	**25.0**	**150.0**	
Balance	**24.7**	**26.1**	**10.2**	**61.0**	
* till 30th September 2026					
** *includes* ***USD 0.8 million*** *of allocations for* ***Central Evaluation Fund (CEF)*** *pending release in the WINGS system*					

39. Upon request, the Advisory Committee was provided with the table below indicating the expenditures related to separation and related actions.

Table 12

The table below shows 2025 actual expenditures incurred for Separation costs, including special measures and approved agreed separation payments

		USD Million	Funding source
Special Measure	CO Staff (Local Staff)	16.2	Accrual, CCI, CO Safety Net, CSPs
	Global HQ (Local Staff)	2.3	Accrual/UGF
	Total	**18.5**	
Agreed Separation	CO (Local Staff)	15.5	UGF/PSAEA, CCI
	Global HQ (IP and Local) and CO (IP Staff)	20.0	UGF/PSAEA, Workforce management fund
	Total	**35.5**	
2025 Total		**54.0**	

The table below shows 2026 actual expenditures incurred as at 30 September 2026 for the agreed separations, there are no more special measures.

		USD Million	Funding source
Agreed separation	Global HQ (IP and Local) and CO (IP Staff)	0.9	Workforce management fund
2026 Total		**0.9**	

Note: Statutory separations are not included.

40. **The Advisory Committee trusts that comprehensive and detailed account of expenses of the country office safety net will be provided in future reports, as well as information on country offices supported and results achieved.**

Individual Fundraising model

41. WFP management is requesting the Executive Board to allocate USD 20 million in the individual fundraising model from the unearmarked portion of the General Fund (ibid., paras 182-183). Since 2020, WFP developed a digital-first model for raising funds directly from the public, growing individual giving from USD 20 million in 2019 to USD 142 million in 2025, a seven-fold increase and potentially mobilizing up to USD 1.3 billion between 2025 and 2030 with further investment. Its strategy prioritizes recruiting regular donors, whose average USD 485 contribution over four years is nearly five times that of a one-time giver, creating more reliable, higher-return income after initial acquisition costs. WFP is expanding into new languages and channels, including face-to-face fundraising and telemarketing, while using free advertising space to broaden outreach at little added cost; it is on track to meet its

USD 163 million target for 2026–2028. To sustain this growth, WFP is seeking USD 20 million for 2027 as the third tranche of a planned USD 100 million investment from 2025 to 2030.

42. Upon enquiry, the Advisory Committee was informed that the invested funds have gone toward digital donor acquisition, new language and country markets, additional fundraising channels, technology, donor retention, and operational capacity. WFP measures success through income versus spending, advertising returns, donor lifetime value, retention, and flexible-income growth; in 2024, individual fundraising brought in USD 116 million against about USD 21 million in programme expenditure, with acquisition campaigns projected to return roughly 3:1 over three years. Although income remains concentrated in mature markets such as the United States, United Kingdom, Germany, Japan, and Australia, the model is expanding into markets including Turkey, Mexico, Malaysia, Indonesia, and South Africa, showing it can scale globally.

43. **The Advisory Committee trusts that future reports to the Executive Board will provide information on the financial and operational performance of the individual giving programme, including its return on investment and lessons learned.**

Innovative Financing Facility

44. WFP proposes establishing an Innovative Financing Facility to provide catalytic capital through direct funding and revolving allocations, enabling it to co-invest with partners, absorb early-stage risks and costs, and finance the preparatory work needed to move transactions toward financial close. By offering risk-tolerant upfront capital for costs such as design and structuring, legal fees, initial grants, premiums, and working capital, the facility would help launch and scale financing mechanisms that might otherwise stall, with capital recovered where feasible for future redeployment. It would become WFP's third catalytic financing instrument, alongside the Emerging Donor Matching Fund and the Changing Lives Transformation Fund, supporting debt swaps and capital-market solutions, co-financing, blended finance, results-based financing, and disaster-risk and climate finance; each facility dollar is expected to mobilize at least two additional dollars. WFP proposes an initial USD 15 million capitalization from the unearmarked General Fund for 2027–2029, with allocations approved by the Executive Director on the steering committee's endorsement and held in a dedicated, ring-fenced special account (ibid., paras 184-187 and Annex V).

45. Upon enquiry the Advisory Committee was informed that WFP uses innovative financing to supplement declining official development assistance by mobilizing larger, more predictable, longer-term resources. Its "catalytic" model uses a limited WFP contribution to unlock financing that would otherwise be unavailable, either for WFP operations or, through concessional loans, debt savings, or domestic co-financing, for governments and partners. For school meals, WFP mainly partners with governments and multilateral development banks; in one arrangement, each WFP dollar unlocks three dollars of concessional multilateral development banks financing, lowering governments' costs and expanding investment in school meals and nutrition programs rather than simply increasing WFP's own revenue.

46. The Committee was further informed that the Innovative Financing Facility would support debt swaps, development-bank co-financing, blended and results-based financing, and climate/disaster-risk finance, aiming to mobilize at least two dollars for every dollar committed and about USD 55 million for WFP operations by the end of 2029. Its financial exposure is capped at the USD 15 million allocation, with no borrowing, guarantees, callable commitments, or leveraged positions, and transactions would face formal appraisal, governance, and oversight.

47. **The Advisory Committee acknowledges the efforts by WFP to increase its non-traditional sources of income. The Committee considers that the Executive Board should be provided with options for an appropriate governance and oversight mechanism for the Facility, addressing such factors as the selection and allocation criteria for investments, both as it pertain to innovative funding modality and countries selected, risk management framework on determining innovative mechanism and criteria for replenishment of funds in the Facility, as well as performance and evaluation arrangements. The Committee further trusts that the Executive Board be provided with regular updates on the use of the Facility, including on investments approved, resources mobilized and results achieved. The Committee further encourages WFP to exchange information and experiences in that regard with other entities of the UN system.**

Evaluation function workplan and priorities for 2027–2029

48. The Executive Board is requested to approve the evaluation function workplan and priorities for 2027–2029. Annex VIII of the report proposes a streamlined, globally integrated evaluation system focused on preserving independent oversight, organizational learning, and evidence-based decision-making despite significant financial constraints. Building on the 2025 consolidation of regional and headquarters evaluation teams under the Office of Evaluation, the plan prioritizes core activities: updating the evaluation policy; conducting centralized, impact, and decentralized evaluations; expanding the use and accessibility of evidence; maintaining essential staff capacity; and strengthening partnerships. **The Advisory Committee reiterates its view that the evaluation function serves an essential role in promoting organization wide learning and trusts that updated information on the impact of the new workplan will be provided in future reports.**

B. Proposal to expand twinning eligibility

49. The report (EB.2/2026/5-B/1) submitted to the Executive Board for approval, proposes expanding twinning eligibility to upper-middle-income countries to broaden its donor base and unlock contributions amid declining funding and substantial funding gaps. Twinning allows a donor's cash, food, services or other contribution to be combined with funding from another source to cover all operational and support costs, preserving WFP's full cost recovery principle. The proposal would replace the Development Assistance Committee of the Organisation for Economic Co-operation and Development country classifications with annually updated World Bank classifications and introduce safeguards for newly eligible donors: an overall annual cap of 10 percent of WFP's global contributions forecast, an individual donor cap equivalent to 1 percent of that forecast, alignment with approved programme delivery modalities, and a requirement that donors secure their own matching partners without using the WFP Fund, including the Emerging Donor Matching Fund, or monetization.

50. Upon enquiry, the Advisory Committee was informed that WFP's proposal to expand twinning eligibility to upper-middle-income countries (UMICs) is designed to generate largely additional funding while limiting risks to programme integrity and WFP's flexible resources. UMICs have contributed only about USD 56 to 60 million annually, roughly 0.7 percent of WFP's average annual contributions and so most new contributions from this group are expected to be additional rather than substituting existing funding. The proposal preserves full cost recovery by requiring UMIC donors to secure separate donors to cover all associated costs before a contribution is confirmed, and it excludes them from the WFP Fund and the Emerging Donor Matching Fund, reducing incentives for substitution. Safeguards include an aggregate annual cap of 10 percent of forecast global contributions, a general individual-donor cap of 1 percent of forecast global contributions, consistency checks ensuring contributions align with approved country strategic plans and implementation plans, and enhanced annual Board reporting on twinning arrangements, caps, modalities,

funding partners, and results. Together, these measures are intended to prevent donor-driven shifts in programme modality, avoid excessive concentration, keep twinning demand-driven, and enable periodic review, with a further evaluation planned by the end of the current Strategic Plan in 2029.

51. **The Advisory Committee notes that, in a scenario of reduced resources across the system, the expanded twinning eligibility can play an important role as an additional source of contributions. The Committee trusts that future reports to the Executive Board will provide detailed information on the implementation of the expanded twinning eligibility criteria, including on the uptake of the new modality, additional resources mobilized and results achieved. The Committee encourages WFP to exchange information and experiences in that regard with the other UN system entities and humanitarian actors.**

C. Other Matters

ICT security challenges

52. Upon enquiry, the Advisory Committee was informed by WFP Management that following the May 2026 cyberattack on its Palestine self-registration application, WFP activated its cybersecurity, privacy and crisis-response mechanisms, notified affected individuals and stakeholders, published updates and responded to media inquiries. The application was suspended on 19 May, with alternative data intake channels maintaining assistance delivery with minimal disruption, and restored on 28 July following remediation, strengthened security controls and independent security testing, including penetration testing. WFP also initiated a corporate cybersecurity review and commissioned an independent forensic investigation to establish the incident's scope and assess the effectiveness of corrective measures. The 2027 Management Plan provides resources for further investment in cybersecurity, cloud security, identity governance and "zero trust" controls through its digital business transformation initiative. **The Advisory Committee emphasizes the importance of maintaining the highest standards of ICT security and trusts that relevant updates will be provided to the Executive Board and in future reports.**

Staff demographics

53. The Advisory Committee notes the information on the composition of international professional staff and higher categories at 31 December 2025 was presented at the Executive Board June 2026 Annual Session (https://executiveboard.wfp.org/document_download/WFP-0000173496), indicating 51.1 percent of the international staff were from developing countries, compared with 50.7 percent in 2024 and the percentage of female staff was 48.2 percent in 2025 compared with 47.0 percent in 2024. **The Advisory Committee encourages WFP to continue its efforts to promote equitable geographical representation and gender parity among its staff and trusts that comprehensive information on equitable geographical representation and gender parity , with disaggregated information at all levels, will continue to be provided to the Executive Board.**

III. Documents submitted to the Executive Board for consideration

Report of the External Auditor on findings from field audits and WFP management response

54. The report (EB.2/2026/5-C/1) submitted to the Executive Board for consideration, reviews progress on earlier audit recommendations and presents findings from the 2025 field audit cycle, which covered five country offices: Afghanistan, Honduras, Mauritania, Moldova and Rwanda; and generated 57 new recommendations. Of 132 outstanding recommendations from previous cycles, 109 (83 percent) had been implemented, 12 (9 percent) remained

under implementation, and 11 (8 percent) had become obsolete or impossible to implement because of changed circumstances. Despite this progress, the audits identified recurring weaknesses in transport-provider oversight and warehouse management; outdated financial-sector assessments and inadequate monitoring of cash-transfer service providers; inappropriate amendments to partner agreements and incorrect accounting for partner expenses; incomplete personnel files and inconsistent use of Workday; and deficiencies in accrual reporting and asset management. The report (EB.2/2026/5-C/1/Add.1) submitted to the Executive Board for consideration, describes WFP management's response to the findings of the External Auditor in their field visit.

55. Upon enquiry the Advisory Committee was informed by the External Auditor that the Summary Field Report presents findings from country offices visited by the External Auditor, noting that while some issues are isolated, similar weaknesses recur across offices and may have been missed by second-line oversight. As the External Auditor rarely revisits the same office within its six-year mandate, issues identified in one office may be resolved there while persisting elsewhere. The External Auditor therefore recommends that Global Headquarters review systemic and recurring issues and implement mitigation measures to reduce similar weaknesses, particularly in Human Resources, Procurement, and Cooperating Partner Management, where further improvement is expected.

56. Lastly, the Advisory Committee was informed upon enquiry, that the External Auditor is of the opinion that most important actions for WFP to avoid recurring issues are by having efficient oversight mechanisms. According to the External Auditor, Global Headquarters should systematically analyse findings across country offices, identify common patterns and root causes, and implement organization-wide measures where appropriate. The External Auditor found that WFP generally has adequate policies and procedures, but compliance remains inconsistent at the country-office level, with recurring findings suggesting that lessons from prior audits are not systematically embedded in operations.

57. **The Advisory Committee notes with appreciation the work of the External Auditor in highlighting the issues faced by WFP field operations. The Committee reiterates its view that field-oriented organizations such as WFP should ensure that front-line staff receive the highest level of support to ensure lessons learned from prior audits are systematically embedded in operations. The Committee also underscores the importance of accountability within the delegation of authority framework and strong control systems, both at first and second line.**

58. **The Advisory Committee trusts that the Executive Director will ensure the timely implementation of the recommendations of the External Auditor and continue to strengthen control mechanisms and organization-wide learning processes to prevent recurring findings and promote the consistent implementation of policies and procedures across country offices. The Committee reaffirms its view that the findings presented annually by the External Auditor in its audit reports constitute an essential pillar of the WFP's oversight framework, and represent a valuable tool to improve the management, efficiency and effectiveness of the Organization.**