



World Food Programme
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Programa Mundial de Alimentos
برنامج الأغذية العالمي

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WFP/EB.A/2026/6-A/1

Financial and budgetary matters

For decision

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

Audited annual accounts, 2025

The Secretariat is pleased to submit the audited 2025 financial statements together with the audit opinion and the report of the External Auditor. The financial statements have been prepared under International Public Sector Accounting Standards (IPSAS). The External Auditor has completed the audit in accordance with the International Standards of Auditing and has provided an unqualified audit opinion.

This document is submitted to the Board in accordance with general regulation XIV.6 (b) and financial regulations 13.1 and 14.8, which provide for the submission to the Board of the audited financial statements of WFP and an associated report of the External Auditor. The statements and the report are presented in one document.

This document includes a statement on internal control which provides specific assurance on the effectiveness of internal control in WFP.

Focal points

Mr L. Hoffmann
Director of External Audit
email: lutz.hoffmann@wfp.org

Mr C. Wuensch
Deputy Director of External Audit
email: carsten.wuensch@wfp.org

Ms J. Oeser
Lead Performance Audit
email: extauditor.joeser@wfp.org

Mr A. Raza Qureshi
Chief Financial Officer a.i.
email: ally-raza.qureshi@wfp.org

Mr S. Dahan
Chief Risk Officer and Director
Risk Management Division
email: salvador.dahan@wfp.org

Ms M. Mananikova
Director, Financial Reporting Service
Chief Financial Officer Division
email: maryna.mananikova@wfp.org

Ms R. Pala Krishnan
Deputy Director
Risk Management Division
email: rathi.palakrishnan@wfp.org

Draft decision*

The Board:

- i) approves the 2025 annual financial statements of WFP, taking note of the report of the External Auditor, submitted to the Board pursuant to Article XIV.6 (b) of the General Regulations;
- ii) notes the funding from the General Fund of USD 1,106,023.93 during 2025 for the ex-gratia payments and the write-off of cash losses and receivables;
- iii) notes losses of commodities and other losses during 2025 forming part of operating expenses for the same period.

* This is a draft decision. For the final decision adopted by the Board, please refer to the decisions and recommendations document issued at the end of the session.

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Section I

Audit Opinion

I have audited the financial statements of the World Food Programme (WFP), which comprise the statement of financial position (statement I) as at 31 December 2025 and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flow (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WFP as at 31 December 2025 and its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

I conducted my audit in accordance with the International Standards on Auditing. My responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". I am independent of the World Food Programme, in accordance with the ethical requirements relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information other than the financial statements and the auditor's report thereon

The Executive Director of the World Food Programme is responsible for the other information. The other information comprises the Executive Director's statement for the year ended 31 December 2025 and the Executive Director's statement of internal control, both contained in Section II below, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that I have performed, I conclude that there is a material misstatement in the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The Executive Director of the World Food Programme is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of the World Food Programme is responsible for assessing the Programme's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless management intends either to liquidate the Programme or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Programme's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the International Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit.

I also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the World Food Programme;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(d) Draw conclusions concerning the appropriateness of management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the World Food Programme to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the World Food Programme to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In my opinion, the transactions of WFP that have come to my notice or that I have tested as part of my audit have, in all significant respects, been in accordance with the General Regulations and General Rules and the Financial Regulations of WFP.

In accordance with Financial Regulation 14.8, I have also included information that I deem necessary with regard to the efficiency of financial procedures, the accounting system, the internal financial controls, and, in general, the administration and management of WFP in the long-form audit report on my audit of the World Food Programme.

(Signed) Kay Scheller

President of the German Supreme Audit Institution

16 April 2026



External Audit of the World Food Programme

Audit Report

Financial Statements of the World Food Programme
for the year ended 31 December 2025



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0 Executive Summary

0.1

The External Auditor has audited the financial statements and reviewed the operations of the World Food Programme (WFP) for the year ended 31 December 2025. In the External Auditor's opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WFP as at 31 December 2025 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

0.2

WFP is a voluntarily funded organization. In 2025, voluntary contributions decreased by USD 3.7 billion (38 percent) to USD 6.1 billion. Expenses amounted to USD 8.7 billion, compared with USD 9.0 billion in 2024. As a result, WFP incurred a deficit of USD 1.7 billion, compared with a surplus of USD 1.3 billion in 2024.

0.3

Key findings

Restructuring of Global Headquarters

- a) On 1 May 2025, WFP rolled out the new two-layer structure. WFP merged its regional bureaux with headquarters to create "One Global Headquarters". WFP planned to remove overlaps and clarify accountabilities, and to make the organization leaner. The External Auditor noted that Global Headquarters and country offices reduced the number of employees. The ratio of Global Headquarters' employees to all employees, however, decreased by only 0.6 percentage points. So far, Global Headquarters has not become significantly leaner;*
- b) WFP issued a new Management Accountability Framework. The External Auditor noted that the role of regional directors encompassed some of their previous responsibilities. WFP still expected regional directors to contribute to oversight, technical support and performance management. However, they were not responsible for providing programmatic, operational and technical support, nor did they have the resources to carry out these tasks;*

- c) *According to WFP, service catalogues increase transparency of available services at Global Headquarters and inform country offices whom to contact for support. As of February 2026, WFP had published 15 service catalogues. The service catalogue of one Division was missing. Furthermore, format, content and contact information varied. Only the Technology Division had set up a comprehensive ticketing system. The External Auditor holds that the absence of a harmonized and standardized model weakens transparency and reduces usability for country offices;*

Human resources management

- d) *From the end of 2024 until the end of January 2026, WFP reduced the number of employees by 3,661. For 2025, WFP reported employee expenses of USD 1,540.9 million. The External Auditor notes that the reduction remains behind WFP's working target of 6,000 employees;*
- e) *The External Auditor found that employee expenses continued to rise despite a decrease in WFP's total expenses. The employee reductions in 2025 did not lower the employee expenses yet. The External Auditor notes with concern that WFP spent a higher percentage of its total expenses in 2024 and 2025 on employees than in previous years. WFP should aim at a balanced proportion between employee expenses and total expenses;*

Finance, accounting and internal controls

- f) *The Executive Director's Assurance Exercise is the basis for the Management Review of Significant Risk and Control Issues. It is an annual self-assessment survey completed by country directors, regional directors, Global Headquarters function directors and department heads, and directors of advisory and assurance functions. The External Auditor noted in the responses more cases of non-compliance with WFP's regulations. This indicates a need for improvement;*
- g) *The External Auditor noted that country offices recognized expenses without timely and verifiable supporting documentation, contrary to IPSAS 1 and WFP's Financial Management Manual requirements. The External Auditor holds that the lack of timely and verifiable evidence confirming expenses exposes WFP to compliance and reputational risks;*
- h) *The External Auditor found duplicate employee records in the payroll systems WINGS and PASPort. In one case, WFP erroneously paid an employee salary twice under two separate identification numbers and later corrected the overpayment. The technical set-up in both systems allowed the creation of separate identification numbers for the same employee. The External Auditor holds that two separate identification numbers for one employee can lead to several risks, especially double payments;*

- i) *In 2025, a country office paid USD 1.7 million through cooperating partners to host government employees for participating in trainings. The External Auditor holds that WFP should have spent the money better by supporting vulnerable population;*

Cash-based transfers

- j) *Country offices must conduct performance evaluations of financial service providers annually and at least six months before the contract expires. The External Auditor found that country offices had not carried out a performance evaluation for 30 percent of the active financial service providers. An additional 27 percent of performance evaluations of active financial service providers were outdated. Evaluations are crucial for mitigating financial and reputational risks;*

Cooperating partner management

- k) *The General Conditions to agreements with cooperating partners stipulate that country offices shall base advance payment amounts on the partner's operational costs. The External Auditor found that country offices agreed to pay advances to cooperating partners that were not based on the partner's operational costs. The External Auditor holds that country offices should tie payments to actual costs and progress to reduce WFP's financial risks.*

Key recommendations

The main recommendations are that WFP:

Restructuring of Global Headquarters

- a) ***continue to reduce the ratio of Global Headquarters' employees to the total number of employees to achieve the goal of a leaner Global Headquarters;***
- b) ***clarify the responsibilities and accountability of regional directors and their relationship with global functions including outposted employees under the two-layer structure;***
- c) ***evaluate the different service catalogues, including ticketing systems, taking into account the feedback from country offices to determine the best, harmonized format and approach for informing and managing services for the country offices;***

Human resources management

- d) ***reduce the ratio of employee expenses to WFP's total expenses;***
- e) ***review its employee needs/positions in light of the reduced funding;***

Finance, accounting and internal controls

- f) systematically promote the use of the Executive Director's Assurance Exercise's results to mitigate identified shortcomings and risks and prevent the recurrence of non-compliance;***
- g) ensure that country offices always recognize expenses based on verifiable supporting documents as required by IPSAS 1;***
- h) implement controls to prevent the creation of separate identification numbers for the same employee in WINGS and PASPort;***
- i) ensure that country offices do not pay government employees for participating in trainings;***

Cash-based transfers

- j) ensure that country offices comply with the Financial Service Provider Performance Evaluation Tool and conduct financial service providers' performance evaluations as required; and***

Cooperating partner management

- k) ensure that country offices base their advance payments to cooperating partners on the partner's operational costs in accordance with the General Conditions on the field-level agreement.***

1 Mandate, scope, and methodology

1. By its decision 2021/EB.2/4, on 16 November 2021 the Executive Board of WFP appointed the President of the Bundesrechnungshof of Germany as the WFP External Auditor to perform the audit of the accounts of WFP for a six-year term from 1 July 2022 to 30 June 2028 in accordance with WFP Financial Regulation 14.1.
2. The External Auditor's mandate is set out in Article XIV of the WFP Financial Regulations and their Annex. Pursuant to the Financial Regulations, the External Auditor expresses an opinion on the financial statements and may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of WFP.
3. This document provides the External Auditor's long-form report on the audit of the financial statements of WFP for the year ended 31 December 2025. The Executive Director submits the report of the External Auditor to the Executive Board to enable the Executive Board to approve the financial statements. The audit was conducted in conformity with the WFP General Regulations and Rules, and Financial Regulations, and, where applicable, the Financial Regulations and Rules of the United Nations, the Food and Agriculture Organization (FAO) Staff Regulations, as well as the International Standards on Auditing.
4. The audit was conducted primarily to enable the External Auditor to form an opinion as to whether the financial statements fairly present the financial position of WFP as at 31 December 2025 and its financial performance and cash flows for the year then ended, in accordance with IPSAS. This included an assessment of whether WFP had incurred the expenses recorded in the financial statements for the purposes approved by the governing bodies and whether WFP had properly classified and recorded revenues and expenses in accordance with WFP's General Regulations and Rules and Financial Regulations. The audit included a general review of financial systems and internal control and a test examination of the accounting records and external confirmation procedures from banks, donors and suppliers and other supporting evidence to the extent considered necessary to form an opinion on the financial statements.
5. The External Auditor conducted several audit visits to Global Headquarters and to the following regional offices and country offices: the Regional Offices for Latin America and the Caribbean in Panama, for Western and Central Africa in Dakar and for Eastern and Southern Africa in Nairobi, the Country Offices Afghanistan (remote), Honduras, Mauritania, Moldova and Rwanda.

6. The External Auditor issued management letters to offices audited. Where deemed necessary, the External Auditor included audit findings of these management letters in this report.
7. During audit visits to Global Headquarters (including regional offices) and country offices, the External Auditor issues audit observation memorandums with facts and findings requesting the respective director to comment in writing. These audit observation memorandums together with the comments provided by WFP form the basis of the External Auditor's management letters to the Executive Director and reports for the Executive Board. The External Auditor shares draft management letters and draft reports with WFP requesting comments again to include them in the letters and reports.
8. The External Auditor coordinated with the Inspector General to avoid unnecessary duplication and gain an understanding of the internal audit function and of internal control of WFP.
9. The present report covers matters that, in the opinion of the External Auditor, should be brought to the attention of the Executive Board. The External Auditor communicated his observations and conclusions to the Executive Director and the WFP senior management, and their views are reflected in the report.

2 Financial overview

10. For 2025, the WFP financial statements resulted in a deficit of USD 1.7 billion compared with a surplus of USD 1.3 billion in 2024. The variance of approximately USD 3.1 billion was attributable to decreased contribution revenue: Contribution revenue decreased by USD 3.7 billion or 38.2 percent to USD 6.1 billion (2024: USD 9.8 billion). The decrease in contribution revenue was partly offset by increases in revenues from currency exchange differences (USD 0.2 billion) and return on investments (USD 0.1 billion). The total expenses decreased by USD 0.4 billion or 4.2 percent to USD 8.7 billion (2024: USD 9.0 billion).
11. Three top donors account for 50.0 percent of the contribution revenue (2024: 62.7 percent). One of these donors accounted for 32.8 percent of all contribution revenue (2024: 45.3 percent). Contributions from this donor decreased by USD 2.4 billion. Governments and International Financial Institutions continued to be the major donors of WFP.

12. Expenses decreased by USD 0.4 billion (4.2 percent) to USD 8.7 billion. Main expense decreases pertained to contracted and other services which decreased by USD 0.3 billion (24.0 percent). Commodities distributed decreased by USD 0.2 billion (7.0 percent). The cost of distribution and related services decreased by 7.6 percent compared to 2024.
13. At the same time, staff costs increased by USD 0.04 billion (4.1 percent) to USD 1.2 billion. The affiliated workforce costs decreased by USD 0.03 billion (7.6 percent) to USD 0.4 billion. Chapter 3.3 on Human Resources Management of this report provides further information on the development of employee costs.
14. Current assets decreased by USD 2.0 billion (17.2 percent) and amounted to USD 9.7 billion. The main decreases pertained to contributions receivable which decreased by USD 1.2 billion to USD 4.1 billion due to the decrease in contribution revenue. Inventories decreased by USD 0.3 billion to USD 0.7 billion. At the same time, short-term investments increased by USD 0.3 billion to USD 2.6 billion. Cash and cash equivalents decreased by USD 0.8 billion (29.7 percent) to USD 2 billion.
15. Non-current assets increased by USD 0.5 billion to USD 2.3 billion (28.8 percent). Long-term investments increased by 17.9 percent to USD 1.6 billion. Long-term investments are held with the aim to cover long-term employee benefits, and their value primarily increased due to additions to invested assets and realized gains from equity investment funds. The overall increase was further driven by the right-of use assets with the amount of USD 0.4 billion. Rights-of use assets were recorded for the first time under non-current assets in 2025 due to the adoption of IPSAS 43 "Leases".
16. Current liabilities slightly decreased by USD 0.1 billion to USD 1.1 billion (7.5 percent). This was driven by decreases in payables and accruals by USD 0.2 billion from USD 1.1 billion to USD 0.9 billion. This trend was in line with decreased expenses in the fourth quarter of 2025 in comparison to the fourth quarter of 2024. The overall decrease of current liabilities was softened by current lease liabilities in the amount of USD 0.1 billion. Due to the adoption of the new IPSAS 43, WFP recognized lease obligations and right-of-use assets as of 1 January 2025.
17. Net assets comprised the accumulated surplus and reserves of USD 9.7 billion. The accumulated surplus decreased by USD 1.5 billion and the reserves decreased by USD 0.1 billion.
18. The key financial indicators are not comparable to the previous years' indicators due to the adoption of IPSAS 43. In Figure 1, the External Auditor provides data for 2025 which includes recognized lease obligations and right-of-use assets as well as data which excludes these to make ratios comparable to previous years. Overall, the comparable key financial indicators did not significantly change. The External Auditor's analysis of the key financial ratios demonstrates that WFP met all its liabilities. Considering lease liabilities and right-of-use assets, the key financial indicators have deteriorated.

However, this would likely also be true for the previous years' figures if they took into account IPSAS 43. WFP decided not to adjust the previous years' figures in line with IPSAS 43.111.

Figure 1

Ratio Analysis

Description of ratio	31 December 2025	31 December 2025 Comparable ^e	31 December 2024	31 December 2023	31 December 2022
Current ratio (current assets: current liabilities) ^a	8.6	9.7	9.6	10.2	8.2
Total assets: total liabilities ^b	5.1	5.8	6.0	5.9	5.8
Cash ratio ^c (cash + current investments: current liabilities)	4.0	4.6	4.2	4.4	2.7
Quick ratio ^d (cash + current investments + short-term accounts receivable: current liabilities)	7.9	9.0	8.7	8.9	7.2

^a A high ratio indicates an entity's ability to pay off its short-term liabilities.

^b A high ratio is a good indicator of solvency.

^c The cash ratio indicates an entity's liquidity. It serves to measure the amount of cash, cash equivalents and invested funds available in current assets to cover current liabilities.

^d The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to convert into cash. A higher ratio means a more liquid current position.

^e Due to the adoption of the new IPSAS 43, lease obligations and right-of-use assets are recognized as of 1 January 2025. In order to make ratios comparable to previous years, lease liabilities and right-of-use assets are excluded from this column. They are included in the first column.

Source: WFP financial statements.

3 Findings and recommendations

3.1 Open recommendations

19. The External Auditor's findings result in recommendations on financial, budgetary, performance, and governance issues which are addressed to WFP for implementation.

Implementation rate of open recommendations higher than in previous year

20. Out of 114 open recommendations, the External Auditor assessed that WFP had implemented 59 recommendations (52 percent), 51 recommendations were under implementation (45 percent), 3 recommendations were overtaken by events (2 percent), and that WFP had not implemented 1 recommendation (1 percent). In comparison to the External Auditor's 2024 report, the implementation rate increased from less than one third to over one half.
21. This assessment includes information WFP has provided until 18 March 2026. Figure 2 and the Annex show details of the status of implementation of the recommendations.

Figure 2

Status of implementation of open recommendations

Audit report year*	Total	Implemented	Under implementation	Not implemented	Overtaken by events
2022	10	5	5	0	0
2023	18	8	9	0	1
2024	37	22	12	1	2
2025	49	24	25	0	0
Total	114	59	51	1	3
Percentage	100	52	45	1	2

* Audit report year refers to the year of the annual session for which the External Auditor provided his report.

Source: External Auditor.

22. In the following paragraphs, the External Auditor highlights examples where WFP implemented the recommendations; and where WFP did not yet implement the recommendations completely ("under implementation").

Implemented recommendations

23. The External Auditor took note of WFP's efforts to implement the recommendations on improving WFP's budget processes which he had issued in the report on the 2023 audited annual accounts.¹ WFP has implemented five recommendations and is implementing another three.

¹ WFP/EB.A/2023/6-H/1, Audited annual accounts 2023.

24. WFP implemented five out of ten recommendations in areas which the External Auditor had highlighted in the 2022 reports on oversight by management and management of cooperating partners.²
25. In the External Auditor's report on the 2024 audited annual accounts, five recommendations aimed at increasing the informative value of the notes to the financial statements for stakeholders.³ WFP implemented four of the recommendations.

Recommendations under implementation

26. In the 2022 report on the management of cooperating partners, the External Auditor recommended that WFP establish an agreement template for the cooperation with governmental cooperating partners.⁴ The External Auditor recommended in the report on the 2024 audited annual accounts that WFP amend its current guidance for the collaboration with government entities by including strategic, procedural and oversight guidance, risk assessment, reporting and monitoring requirements, budget and agreement templates and management fees.⁵ Both recommendations remain under implementation. WFP stated that its Legal Office was in the process of drafting the agreement template. The External Auditor urges WFP to finalize the template as soon as possible as it is needed to ensure consistency across governmental cooperating partners.
27. In the 2023 performance report on support services, the External Auditor recommended that WFP strengthen the authority of the Technology Division when implementing new IT solutions.⁶ In response to the recommendation, the Technology Division drafted an Executive Director's circular and started the consultation process with the Legal Office, the Digital Business and Technology Committee and the Policy Committee. The Leadership Team had not approved the draft circular since July 2025. The External Auditor is concerned that the draft circular is stalled in internal consultation. The External Auditor holds that a stronger role of the Technology Division will reduce issues in the implementation of new IT solutions (ref. subchapter 3.3.3 Workday). The External Auditor urges WFP to implement the recommendation.
28. In the report on the 2022 audited annual accounts, the External Auditor recommended that WFP change its accounting policy on the expense recognition of food commodities handed over to cooperating partners and to expense them only when distributed to beneficiaries.⁷ WFP still expensed food commodities when they were handed over to the cooperating partner. However, WFP decided to change its accounting policy and

² WFP/EB.A/2022/6-I/1, Report of the External Auditor on oversight by management, WFP/EB.A/2022/6-H/1, Report of the External Auditor on the management of cooperating partners.

³ WFP/EB.A/2025/6-A/1, Audited annual accounts 2024.

⁴ WFP/EB.A/2022/6-H/1, Report of the External Auditor on the management of cooperating partners.

⁵ WFP/EB.A/2025/6-A/1, Audited annual accounts 2024.

⁶ WFP/EB.A/2023/6-F/1, Report of the External Auditor on support services.

⁷ WFP/EB.A/2023/6-A/1, Audited annual accounts 2022.

started to implement applications which allow cooperating partners to report when they distribute food commodities to beneficiaries. WFP stated that it intended to prepare the 2026 Financial Statement under the new accounting policy.

3.2 Restructuring of Global Headquarters

3.2.1 Shift to two-layer structure

Global Headquarters not yet leaner

29. On 1 May 2025, WFP rolled out the new two-layer structure. WFP merged its regional bureaux with headquarters to create “One Global Headquarters”. Functional employees located in the regional offices that previously reported to regional directors now report to global functions. Among other benefits, WFP planned to remove overlaps and clarify accountabilities, and to make the organization leaner.

Figure 3

Shift from a three-layer to a two-layer structure

WFP merged the regional bureaux with headquarters to create “One Global Headquarters”

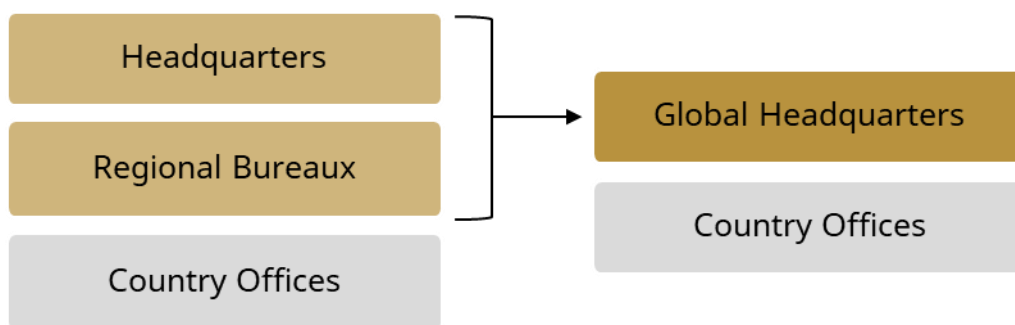


Figure: External Auditor; Source: WFP.

30. The new Management Accountability Framework stipulates the following set-up:
- Country directors report directly to the Executive Director (through the Deputy Executive Director and Chief Operating Officer).
 - Regional directors lead regional representation and cross-functional coordination.
 - Global function directors are responsible for delivering technical support and services to country offices and for ensuring effective oversight.

31. The External Auditor reviewed how the number of Global Headquarters' employees developed throughout the shift to the two-layer organization. Headquarters and regional bureaux accounted for 4,351 of all employees (19.4 percent) at the end of 2024 and Global Headquarters for 3,523 of all employees (18.8 percent) at the end of January 2026.

Figure 4

Only slight reduction in Global Headquarters' employee ratio

Although Global Headquarters reduced the number of employees between December 2024 and January 2026, the ratio of Global Headquarters' employees to all employees decreased by only 0.6 percentage points.

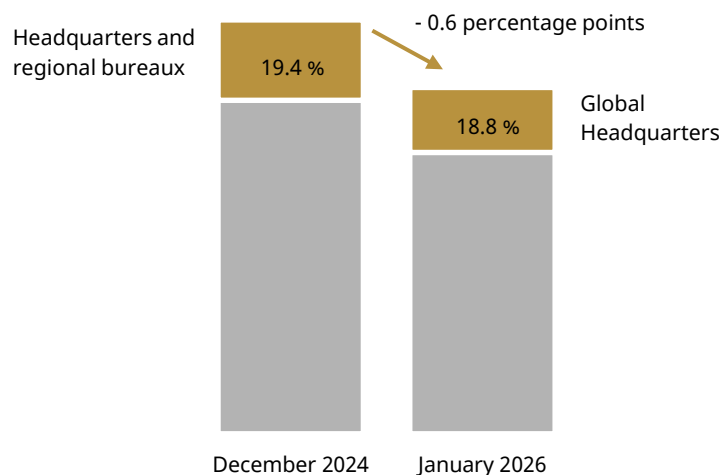


Figure: External Auditor; Source: WFP data.

32. The External Auditor notes that the ratio of Global Headquarters' employees to all employees decreased by only 0.6 percentage points. WFP aimed at becoming leaner through the shift to Global Headquarters and the removal of one organizational layer. The impact, however, is modest.
33. **The External Auditor recommends that WFP continue to reduce the ratio of Global Headquarters' employees to the total number of employees to achieve the goal of leaner Global Headquarters.**
34. WFP agreed with the recommendation. WFP stated that it would continue reducing the ratio of Global Headquarters' employees to the total number of employees, for instance through the upcoming Management Plan process.

3.2.2 Management Accountability Framework and “Compact”

Refinement of roles and accountability required

35. The Management Accountability Framework defines the following roles and areas of accountability:
- Global function directors are accountable for designing policies, providing normative guidance and ensuring strategic placement of resources. They serve as the primary point of contact for providing technical support to country offices, and provide programmatic, operational and technical support and services. Global functions ensure effective management oversight of country offices.
 - Regional directors play a facilitating role in engaging with country offices, leveraging regional cross-functional coordination, contextualizing global strategies to cater to the needs of country operations. They represent and position WFP in the regions and promote regional partnerships. Regional directors, in consultation with the Deputy Executive Director and Chief Operating Officer, provide country directors with support to enhance performance and effectiveness.
36. The Framework describes the roles and responsibilities in more detail. In the area of oversight, the Framework states that global functions should conduct functional and cross-cutting risk assessments, develop annual functional oversight plans, provide quality assurance, ensure the integrity of technical processes and services through oversight and support missions to country offices, and monitor the implementation of recommendations.
37. According to the Management Accountability Framework, regional directors also have certain roles and responsibilities in this area. These include:
- Identifying opportunities for improving operations and processes, in consultation with country directors and global functions;
 - Providing technical and strategic support to global functions; and
 - Encouraging country offices to implement oversight recommendations.
38. In January 2026, WFP replaced the current performance evaluation for country directors with the “Compact”. The Compact is an agreement of the country director, the Deputy Executive Director and Chief Operating Officer, and the respective regional director. The agreement sets out strategic priorities and leadership goals which the country director must achieve. The Deputy Executive Director and Chief Operating Officer evaluates the performance of country directors, with input from the regional directors.
39. WFP evaluated feedback from country and regional offices on the new structure through the Executive Director’s Assurance Exercise. WFP found that 44 percent of the responses were positive, 49 percent neutral and 7 percent negative. Some offices stated that more time was needed to see the full effect of the new structure. Country

and regional offices expressed uncertainties about who country offices should contact at Global Headquarters for support. Regional offices felt a lack of clarity about Global Headquarters reporting lines and structures. Furthermore, they found that the expectations for the Regional Director's Office were unclear.

40. WFP stated that regional directors were not directly accountable for oversight other than providing support and an advisory role. Furthermore, they were not accountable for the performance of country operations but only contributed to this task. WFP stated that it planned to extend the Compact with country directors to include the functional dimension.
41. The External Auditor notes that WFP has not yet fully implemented the two-layer structure. In particular, the role of regional directors still encompasses some of the previous responsibilities. Regional directors are still expected to contribute to oversight and performance management. However, they are not responsible for providing programmatic, operational and technical support, or have the resources to carry out this task. They need to receive information from global functions.
42. While - according to WFP - regional directors only contribute to country operations' performance, without holding accountability, they still sign the Compact with the country directors. Meanwhile, global functions, who are accountable for supporting country operations, are not yet involved in the process.
43. **The External Auditor recommends that WFP clarify the responsibilities and accountability of regional directors and their relationship with global functions including outposted employees under the two-layer structure.**
44. WFP agreed with the recommendation. WFP noted that it was carrying out lessons learned that were informing which elements of the relationships and ways of working between global functions and regional directors in the new structure needed additional clarification to make sure they were working effectively.
45. **The External Auditor recommends that WFP review how it can include the global functions in the country director's Compacts to reflect their accountability for supporting country operations.**
46. WFP agreed with the recommendation. WFP stated that it would further evolve the Compact to incorporate the functional dimension in line with the Management Accountability Framework, strengthening mutual accountability with global functions while preserving clarity of roles and the single accountability principle.

3.2.3 Process management

Comprehensive process map needed

47. WFP recognizes that business process management is a core element of organizational effectiveness. Structured and standardized process mapping ensures that processes are clearly defined throughout the organization. Business process management supports holistic analyses, enabling the identification of overlaps between functional areas and the detection of duplications.
48. In February 2026, the External Auditor asked nine global functions whether they had identified and eliminated duplications and inefficiencies in processes through the shift to the two-layer structure. Most functions confirmed that they had identified and eliminated duplications. Some noted uncertainties regarding responsibilities of Rome-based and region-based employees.
49. The External Auditor asked WFP for a comprehensive process map documenting the eliminated duplications and optimized processes. WFP stated that it had mapped processes that were supported by IT solutions. WFP further elaborated that it still had documented some processes through manuals, guidelines and standard operating procedures. This was why it had carried out the process reviews and optimization activities at the functional level.
50. The External Auditor notes that WFP has not yet established a comprehensive, organization-wide process map. Consequently, WFP has limited visibility of whether it has fully achieved the objectives of the restructuring exercise - reducing duplications, enhancing accountability and simplifying processes. Given that global functions are currently analysing and optimizing their processes as part of the transition, WFP should take this opportunity to consolidate these efforts into a comprehensive, organization-wide process landscape.
51. **The External Auditor recommends that WFP develop a high-level consolidated, organization-wide process map that integrates the ongoing functional process analyses to identify duplications and inefficient processes and strengthen cross-functional coherence.**
52. WFP agreed with the recommendation. WFP stated that it needed to identify an owner for the overall coordination and coherence of the process. WFP also stated that this would be a significant investment so sequencing would need to consider funding constraints.

3.2.4 Location strategy

Strategy under development

53. For the go-live of the new structure on 1 May 2025, WFP requested global functions to outline staffing structures and locations, based on a cost-benefit analysis. Regarding location-independent activities, WFP asked global functions to consider consolidating functional and cross-functional presences in low-cost areas. WFP stated that it had requested global functions to keep the number of employees in the region stable, one reason being duty of care considerations.
54. The Management Services Division started developing a Location Strategy and Assessment Framework. The Division reviewed various aspects of existing and potential locations, including workforce and real estate costs, host agreements, opportunities for common premises, time zone and proximity to Global Headquarters. The Division defined financial, operational and contextual factors such as accessibility and transportation, risk and security, market and demographic insights for deciding on locations.
55. The External Auditor found that WFP had reduced the number of employees in regional offices' locations by between 13.6 percent in Panama to 24.3 percent in Dakar since the end of 2024. The number of employees in Johannesburg decreased by 92.1 percent as WFP closed the Regional Bureau for Southern Africa.
56. Before the shift to the two-layer structure, WFP had already centralized certain services outside of Rome, such as the Global Payment Solution in Hungary, the Fleet Centre in Dubai and the Master Data Team in India. With the implementation of Global Headquarters, WFP established the Travel Hub in Nairobi.
57. The External Auditor reviewed the gross salary for an international staff member including the location-based salary adjustment⁸ and for a national staff member located in the regional offices and in Rome. Figure 5 compares a P-5, step 3 with a G-7, step 3 to provide an illustrative example.

⁸ Post adjustment.

Figure 5

Salaries across duty stations differ for international and national staff members

Comparing regional offices' locations and Rome, international staff members receive the highest annual gross salary in Dakar while national staff members receive the highest annual gross salary in Rome.

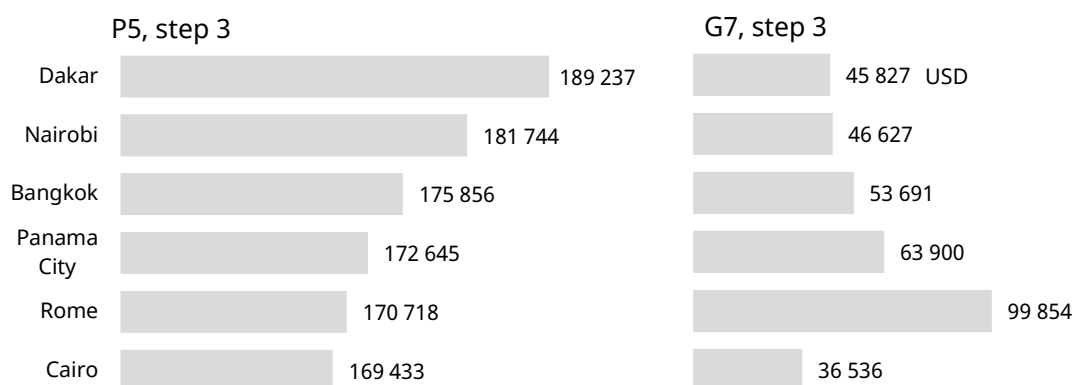


Figure: External Auditor; Source: International Civil Service Commission.

58. For a P-5, step 3, the annual gross salary varies from USD 169,433 in Cairo to USD 189,237 in Dakar. The annual gross salary for a G-7, step 3, varies from USD 36,536 in Cairo to USD 99,854 in Rome.
59. The External Auditor notes that the implementation of the two-layer structure has not yet resulted in major changes to Global Headquarters' locations. Beyond employee reductions, WFP has largely retained employees in both Rome and the regions without transferring them between the locations. Furthermore, WFP has only taken initial steps to move tasks and functions outside of Rome, such as the Travel Hub.
60. The External Auditor considers that the new two-layer structure requires an analysis of the optimal distribution of services and employees across locations in order to best support the country offices. Decisions about locations have a significant financial impact; for example, due to employee costs. WFP should therefore balance cost efficiency with operational needs and service quality.
61. **The External Auditor recommends that WFP assess where to locate its services and functions, taking into account cost efficiency, operational needs and service quality.**

62. WFP agreed with the recommendation. WFP stated that the Executive Director's Circular on real estate portfolio⁹ further supported the ongoing work. The Circular provided the Director of Management Services with the responsibility to oversee strategic real estate decisions. This would ensure that future decisions on service locations were globally aligned and balanced cost efficiency, service quality and operational needs.

3.2.5 Management oversight

Oversight mission planning and other oversight activities require further clarity

63. The Framework for Management Oversight defines the following oversight responsibilities for global function directors:
- Planning management oversight activities;
 - Establishing risk appetite, assurance standards, performance indicator thresholds, escalation thresholds; and
 - Selecting the most appropriate mechanisms such as key performance indicators, remote monitoring, desk reviews, management oversight missions.
64. WFP developed the "Management Oversight Missions" standard operating procedure in which it defined the approach for planning, executing, reporting and following up on management oversight missions.
65. As of April 2026, the annual oversight mission plan included 74 oversight missions to 52 country offices. Out of these, 35 were joint missions of several functions; for example, one mission to one country office would combine risk management and finance.
66. The External Auditor noted that one of the three Departments, the Partnerships and Innovation Department, was not included in the plan. The number of oversight missions varied among functions. As an example, Finance planned 19 oversight missions, Human Resources 23 and Supply Chain - which is responsible for cooperating partner management, procurement, logistics - planned 6.
67. With a questionnaire, the External Auditor asked global functions to list the additional oversight activities that they had planned for or already conducted in 2026. The activities varied:
- follow-up of oversight recommendations;
 - desk reviews/remote reviews, using checklists, quality assurance resulting from the Global Assurance Project, reporting packages, dashboards;

⁹ OED 2025/008, published on 27 August 2025.

- in-person or remote mission; and
→ performance management support.
68. Some comments remained vague: For example, one function cited the Framework for Management Oversight. Another function mentioned that it did not yet have a consolidated document setting out criteria, thresholds and triggers for escalating issues through oversight. It was considering developing a short framework to document the escalation logic.
69. The External Auditor holds that specific areas, such as cooperating partner management, are underrepresented in the annual oversight mission plan. While this could be justified, the documentation does not show how WFP prioritized the missions.
70. Funding constraints might limit the number of on-site oversight missions. As a result, other oversight activities could become even more important. The questionnaire responses show that Functions understand other oversight activities differently. WFP already uses numerous dashboards, has established reporting requirements or assurance standards that can inform its oversight activities. What matters is not only having these tools but also deriving concrete actions from the results.
- 71. The External Auditor recommends that WFP strengthen the documentation of its global functions planning process for oversight missions to demonstrate how it considered and prioritized the different areas.**
72. WFP agreed with the recommendation. WFP stated that it would continue to apply a risk-based approach to oversight planning and place additional emphasis on demonstrating how it considered certain areas.
- 73. The External Auditor recommends that global functions start taking stock of their other oversight activities and define when they need to follow up on issues identified during oversight activities outside of oversight missions.**
74. WFP agreed with the recommendation. WFP stated that relevant global functions would take steps to review their oversight activities beyond management oversight missions and clarify what actions were required when they identified issues.

3.2.6 Service catalogues

Different approaches by global functions

75. According to WFP, service catalogues increase transparency of available services at Global Headquarters and inform country offices whom to contact for support. As of February 2026, WFP had published 15 service catalogues on WFPgo. WFP describes the WFPgo page as a “one-stop shop” for all service catalogues.

76. The External Auditor noted that WFP had not yet published the service catalogue of the Programme Policy and Guidance Division. One service of the Programme Division stated that it had sent its service catalogue directly to the country directors via email.
77. The External Auditor reviewed the service catalogues and found the following:
- Format: Publication formats varied (PDF, websites, spreadsheets, PowerPoint).
 - Content: Some divisions published a list of specific services with corresponding links, while others listed general information about the division/function.
 - Contact information: Some divisions provided generic organizational email addresses, others listed individual staff email addresses.
78. The Technology Division had set up a digital workflow that enabled users to search for, select and request services. Each request automatically generated a ticket. This allowed the Technology Division to analyse the services requested and provided, including the number of tickets, the most frequently used service categories, the branches involved and ticket distribution by country.
79. WFP stated that the establishment of service catalogues was an ongoing activity which it planned to complete by the end of 2026.
80. The External Auditor agrees with WFP that the service catalogues are a positive step towards informing country offices about the available services and who to contact for support. However, the current service catalogues show inconsistencies in format, content and contact information. The absence of a harmonized and standardized model across global functions undermines transparency and reduces usability.
81. Only the Technology Division's workflow and ticketing system meets modern service management standards. The External Auditor holds that the other functions' service catalogues could benefit from a ticketing system. The ticketing system would ensure a clear communication strategy and transparent service delivery. It would also enable functions to analyse demand and adapt their services to better meet the needs of country offices.
- 82. The External Auditor recommends that WFP evaluate the different service catalogues, including ticketing systems, taking into account the feedback from country offices to determine the best, harmonized format and approach for informing and managing services for the country offices.**
83. WFP agreed with the recommendation. WFP stated that there might not be one solution fitting all services due to the wide range of different services.

3.2.7 Delegations of authority

Further simplification and streamlining necessary

84. In 2025, WFP initiated a review of delegation of authority documents. It reviewed 193 delegations of authority documents with the aim of aligning them with the Management Accountability Framework and the new organizational structure. The review also aimed to empower country offices, simplify business processes, and streamline or decommission delegation of authority documents.
85. WFP's review resulted in the following:
 - No changes: For 125 of 193 documents (65 percent), WFP concluded that no changes were required.
 - Streamlining and decommissioning: WFP did not record any remarks for 154 of the 193 documents (80 percent). The remaining 39 documents contained remarks such as "consider replacing with updated circular", "circular to be updated" or "to be determined".
86. In the area of supply chain, WFP combined different delegation of authority documents into one comprehensive circular. WFP planned to streamline and decommission documents in a few additional cases, e.g. in the area of information and technology management.
87. WFP increased the power of country directors in some areas: in procurement, for corporate scale-up phases and for country strategic plans.
88. On 8 January 2026, the Executive Director issued a Circular on "Delegation of Authority in Alignment with the New Two-Layered Organizational Structure" to update delegation of authority documents after the implementation of the new structure.
89. WFP clarified that the 193 documents were primarily those that required a revision because of the new structure. Thus, the review exercise did not capture all documents. WFP would focus on further streamlining documents and applying more rigid measures regarding expiration dates.
90. The External Auditor notes that WFP only plans to streamline or decommission some of the 193 delegations of authority documents. The External Auditor holds that WFP should continue its review, focusing more strongly on streamlining, simplifying and possibly decommissioning them. If WFP deems it necessary to empower country directors further, it should also pursue this idea in the review.
91. **The External Auditor recommends that WFP review its delegation of authority documents with a stronger focus on streamlining and simplifying them.**
92. WFP agreed with the recommendation.

3.3 Human resources management

3.3.1 Employee reductions

Further reductions required

93. Between 2017 and 2022, WFP's contributions grew steadily from USD 6.0 billion to USD 14.1 billion. This upward trend reversed in the following years, with contributions declining to USD 6.1 billion by 2025.
94. The significant decline in contributions required WFP to reduce the number of employees (staff members and affiliates). At the beginning of 2025, WFP estimated that it had to reduce employee costs by USD 360 million:
- WFP compared its funding forecast at that time with the contributions of previous years. As the contributions in 2017 were roughly the same as the 2025 forecast, WFP used the 16,218 employees in 2017 as a benchmark. At the beginning of 2025, WFP had 22,377 employees.
 - WFP simulated cost and employee reductions. WFP calculated that it could reduce the number of employees by about 5,100 through employee turnover, organizational alignments of country offices, a reduction of short-term employees and affiliates in Global Headquarters and an agreed separation exercise (the voluntary early separation of staff members). WFP calculated that it could save USD 321 million.
95. In total, WFP concluded, for planning purpose, that it needed to reduce the number of employees by up to 6,000.
96. WFP clarified that it carried out these calculations at the early conceptual planning stage. The figure "6,000" was used as planning reference point, not a binding reduction target. The planning reference point was intended to provide the indication of magnitude and to allow WFP to ensure staffing decision could remain responsive to operational requirements.

Overview of reductions

97. Compared to 22,438 employees at the end of 2024, WFP reduced the number of employees by 2,584 by the end of 2025 and another 1,077 employees in January 2026, totalling 3,661 employees or 16.3 percent.

Figure 6

Global Headquarters and country offices reduced the number of employees

Global Headquarters reduced the number of employees from 4,351 to 3,523 and country offices from 18,087 to 15,254.

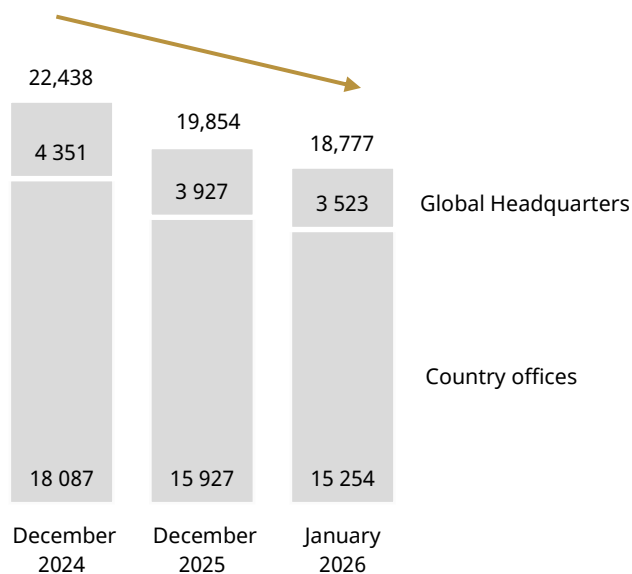


Figure: External Auditor, Source: WFP data.

98. Country offices reduced the number of employees by 15.7 percent. Global Headquarters reduced the number of employees by 19.0 percent.
99. The following table shows the reduction in percentage per employee category in the period from the end of 2024 to the end of January 2026.

Figure 7

Employee reductions between 31 December 2024 and 31 January 2026

	December 2024	January 2026	Reductions	Percentage
Staff members				
Executive Director	1	1	0	0
Assistant Executive Director	4	4	0	0
Directors	184	147	37	20.1
International Professional Staff	2,534	2,217	317	12.5
National Professional Officers	2,167	2,027	140	6.5
General Service Staff	7,433	6,375	1,058	14.2
Affiliates				
Consultants	2,421	1,767	654	27.0
Service contracts	6,105	5,230	875	14.3
Special service agreements	1,232	746	486	39.4
Other	357	263	94	26.3
Total	22,438	18,777	3,661	16.3

Source: WFP data.

100. National Professional Officers were the least affected category with a reduction of 6.5 percent, followed by International Professional Officers with a reduction of 12.5 percent. Special service agreement holders were affected the most with a reduction of 39.4 percent.

Agreed separation exercise did not consider costs, risks and benefits

101. WFP started an agreed separation exercise in May 2025. International Professional Staff including Directors, National Professional Officers and General Service Staff with continuing, indefinite and fixed-term appointments and a minimum of five years of consecutive service were eligible to participate. The exercise focused more on whether the separation of the individual staff members would be in the interest of the organization rather than on the positions. WFP stipulated that supervisors could not replace staff members who separated through external recruitment but only through internal staff members.

102. WFP agreed with 554 staff members on a separation: 128 International Professional Staff and Directors, and 426 National Professional Officers and General Service Staff. The majority (82.3 percent) had fixed-term contracts. In total, the termination indemnities amounted to USD 35.8 million.
103. The External Auditor reviewed a sample of fixed-term staff members who participated in that exercise and found that almost 50 percent of the contracts expired within three months or less. For instance, a National Professional Officer had a contract until 31 December 2025. WFP and the staff member agreed on a separation which took effect on 30 September 2025. WFP paid a termination indemnity of USD 93,555. In the remaining three months of the contract, the staff member would have earned a gross salary of USD 24,945. WFP did not analyse the costs, risks and benefits of each separation case.
104. WFP stated that, given the scope and the limited time frame of the agreed separation exercise, it did not analyse the costs for each staff member. WFP further stated that the fact that a contract was allowed to expire did not absolve the organization from taking a decision on whether or not to renew it. According to the jurisprudence of the Administrative Tribunal of the International Labour Organization, WFP had to provide a valid reason for not renewing an expiring fixed-term appointment. WFP had to notify the staff member of the decision not to renew the contract in time. When deciding which positions to abolish, including due to a funding shortfall, WFP still had to comply with its internal "order of retention", which defined which employee based on contract type WFP let go first. WFP also had to exhaust placement efforts depending on the contract type. WFP stated that it excluded staff members from the exercise who WFP had already notified of their separation.

Short-term employee and affiliate reduction exercise

105. In April 2025, WFP initiated the short-term employee and affiliate reduction exercise at Global Headquarters.¹⁰ WFP set a working target to reduce the number by 50 percent. To implement this exercise, the leadership team reviewed a list of their short-term employees and affiliates. The list provided the grade levels, e.g. P-4 or consultant, but did not include the individual costs of the employee.
106. As of August 2025, WFP planned to separate 705 of 1,897 short-term employees and affiliates (37.2 percent). The offices¹¹ showed significant differences in the planned reductions. For example, the Partnerships and Innovation Department planned to reduce 12.8 percent of its short-term employees and affiliates, while the Programme Operations Department planned to reduce 48.4 percent.

¹⁰ They consisted of short-term professionals, international consultants, temporary general service staff, service contract holders and special service agreement holders. WFP also considered limited fixed-term contracts in that exercise.

¹¹ Offices in this section include the three Departments, the Office of the Chief Financial Officer, the Office of the Chief of Staff, the Office of the Deputy Executive Director and Chief Operating Officer and the Offices reporting to the Executive Director.

107. As of 31 January 2026, Global Headquarters employed 3,429 employees of which 1,247 were short-term employees or affiliates (36.4 percent). The External Auditor reviewed the ratio of short-term employees and affiliates to total employees.

Figure 8

Global Headquarters' offices depend on short-term employees and affiliates to different degrees

20.2 to 56.5 percent of employees at Global Headquarters' offices were short-term employees and affiliates¹² as of 31 January 2026.

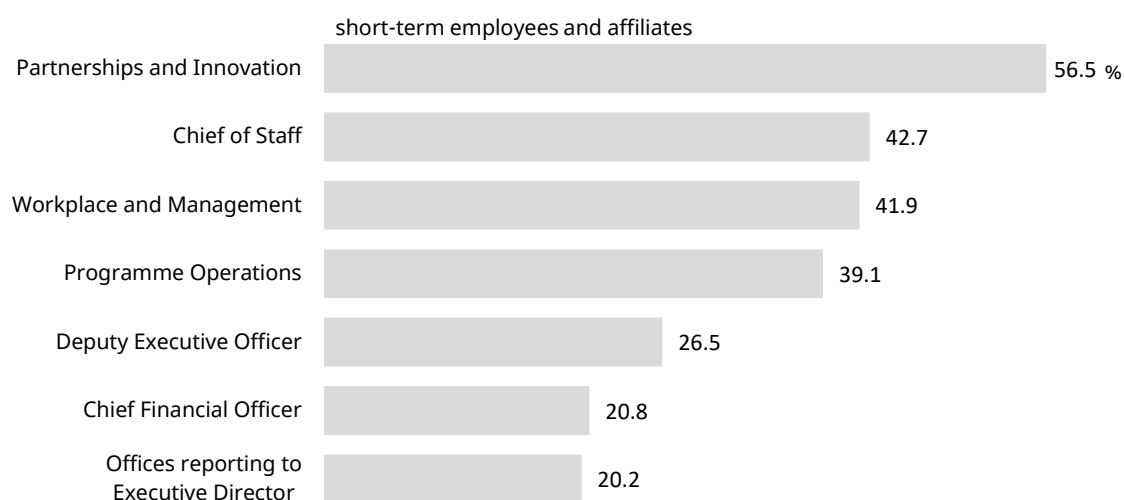


Figure: External Auditor, Source: WFP data.

108. In some offices, short-term employees and affiliates accounted for about 20 percent, whereas in the Partnerships and Innovation Department they exceeded 50 percent. Compared to the 1,897 short-term employees and affiliates before the reduction exercise, WFP reduced the number by 650 (34.3 percent) until 31 January 2026.
109. WFP emphasized that the planned reduction of 50 percent was a working target, not a fixed one. The working target was based on cost simulations in conjunction with other reduction initiatives. WFP aimed at reducing employee costs rather than focusing solely on headcount. The Human Resources Division stated that offices had not needed the monthly costs of the employees in the exercise list as they were fully aware of those costs. Offices regularly reviewed positions encumbered by short-term employees and affiliates in the yearly management plan process, and when positions needed to be created and filled.

¹² Including limited fixed-term staff members.

Employee expenses

110. For 2025, WFP reported employee expenses of USD 1,540.9 million. This included termination indemnities of USD 41.7 million.¹³
111. The External Auditor reviewed the development of employee expenses as well as total expenses since 2017. Employee expenses increased steadily from USD 796.9 million to USD 1,540.9 million in 2025. WFP's total expenses had risen until 2022 after which they began to decline.

Figure 9

Employee expenses increase in absolute and relative terms

112. Between 2017 and 2023, the ratio of employee expenses to total expenses remained at or below 13.5 percent. In 2024 and 2025, this ratio increased to 16.9 and 17.8 percent, respectively.

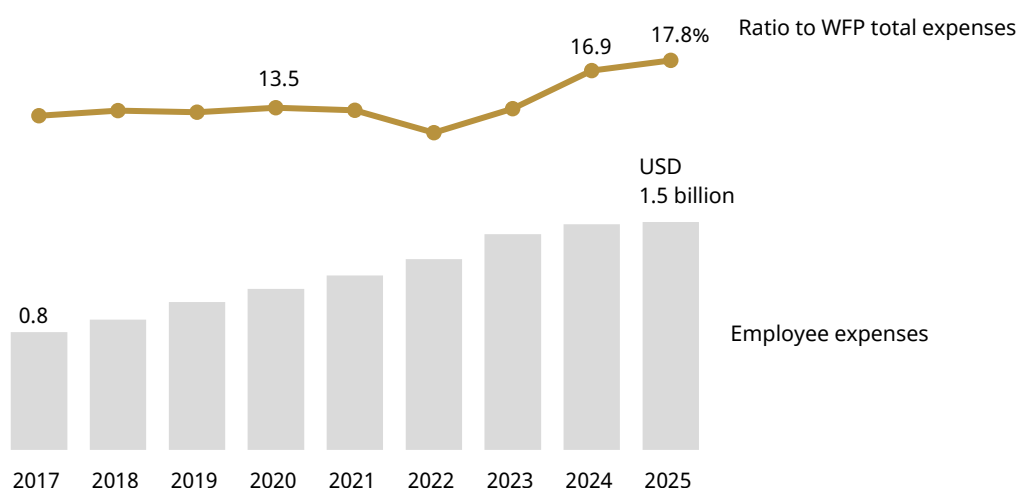


Figure: External Auditor, Source: Financial Statements 2017-2025, Statement II.

113. In 2025, the total expenses exceeded the contributions: WFP reported contributions of USD 6,055 million while it expensed USD 8,659 million. The employee expenses accounted for 25.4 percent of the contributions.

¹³ Incurred and accrued, for international and national employees for agreed separations and special separation measures.

Conclusion

114. The External Auditor acknowledges that WFP has reduced the number of employees by 3,661 (16.3 percent) in 13 months. The External Auditor notes that the reduction remains behind WFP's working targets of 6,000 employees. Furthermore, employee costs have almost doubled since 2017, the year in which WFP roughly had the same funding.
115. The agreed separation exercise and the short-term employees and affiliates reduction exercise have focused more on whether the separation of the individual employees would be in the interest of the organization rather than on positions and on costs. WFP should review which positions it needs to implement its programmes and operations and which it can afford.
116. The External Auditor notes with concern that employee expenses have continued to rise despite a decrease in WFP's total expenses. The employee reduction in 2025 has not had an effect on the employee expenses yet. As a result, WFP has spent a higher percentage of its total expenses in 2024 and 2025 on employees than in previous years. WFP should strive to achieve a balanced proportion between employee and total expenses.
- 117. The External Auditor recommends that WFP reduce the ratio of employee expenses to WFP's total expenses.**
- 118. The External Auditor recommends that WFP review its employee needs/positions in light of the reduced funding.**
119. WFP agreed that it should critically review its employee needs. However, WFP did not agree that this review would necessarily result in a reduction of the ratio of employee expenses to total expenses. WFP was of the opinion that the ratio had to be assessed in the context and complexity of operations rather than as a standalone metric. Workforce levels were driven by programmatic, oversight, assurances and corporate support needs essential to delivering WFP's mandate.
120. While the External Auditor agrees that the appropriate contract modality and number of positions depend on the type of operations, employee expenses should still be adequately balanced with operational expenses. WFP has not reduced employee expenses at all in the last years. It is not adequate that employee expenses continue to increase despite a decline in revenues and in total expenses. The more money WFP spends on its employees, the less it has available for its operations.
121. Regarding the agreed separation exercise, the External Auditor acknowledges the fact that WFP has a duty of care and that a non-renewal of a fixed-term contract requires a valid reason. At the time of conducting this exercise, WFP planned to lay off a significant number of employees. If WFP regularly reviews its positions, it will know which to abolish and which to keep. The External Auditor holds that, with this

information, non-renewal of fixed-term appointments is in line with the regulations and judgments in place.¹⁴ While WFP has not initiated a new agreed separation exercise, it may still receive ad-hoc requests. The External Auditor holds that WFP should analyse the costs, benefits and risks before paying a termination indemnity to fixed-term staff members.

122. The External Auditor recommends that WFP analyse the costs, benefits and risks of additional ad-hoc agreed separation cases before making a decision.

123. WFP agreed that, going forward, recommendations for individual ad-hoc agreed separation offers would be accompanied by a documented analysis of financial costs, benefits and risks.

3.3.2 Consultants

Complex process for consultants' living allowance

124. The International Civil Service Commission is responsible for staff members' employment conditions in the United Nations System. The Commission determines a daily subsistence allowance (DSA) per duty station to cover the average cost of lodging and other related expenses during official travel. Furthermore, the Commission sets a post adjustment rate per duty station. The post adjustment system ensures that the salary of staff members has the same purchasing power at all duty stations.

125. WFP may recruit a consultant for a duration of 11 months or less. The maximum period of employment is 44 cumulative months of service in the same position. WFP considers internationally recruited consultants to be on "travel status" during their assignment.

126. WFP used to pay consultants DSA during their assignments. To reduce the costs, WFP decided to pay a monthly subsistence living sum instead. First, the Director of Human Resources introduced a monthly sum of USD 2,500 for Rome in 2008. Then, the Directors of Human Resources and of Management Services extended the payment of a monthly subsistence living sum to the field offices in 2012.

127. The WFP Human Resources Manual describes the following process: Regional or country directors may request the establishment of a monthly subsistence living sum rate for their office location. The Director of the Management Services Division evaluates, calculates and approves the rate. The Manual further stipulates that internationally recruited consultants residing outside the duty station at the time of recruitment with a contract of 30 calendar days or more are eligible for the monthly subsistence living sum. The sum is payable upon submission of the monthly attendance sheet. Specific rules apply to duty travel, rest and recuperation, and

¹⁴ Taking into consideration any special leave with full pay period for international staff members on rotational positions in accordance with WFP internal policy framework.

absences. For example, a consultant shall continue to receive the sum while absent from the place of assignment on rest and recuperation. The sum will not be paid for any other period of leave that is combined with rest and recuperation.

128. The monthly subsistence living sum rates as of March 2026 ranged from USD 1,100 in locations such as Mopti (Mali), Bekily (Madagascar) or Cucuta (Colombia) to USD 2,500 in Rome and other locations up to USD 5,000/5,800 in Sana'a (Yemen).
129. The External Auditor noted that WFP had established several rates more than ten years ago, such as the rates for Rome (2008) or Johannesburg (2012), as well as for volatile locations such as South Sudan (2016), Lebanon (2013) and Niger (2013/2014).
130. The External Auditor compared the increase of consultant fees through the monthly subsistence living sum with the post adjustment of staff members. In Rome, the post adjustment is set at 21.1 percent.

Figure 10

Comparison of increase in fees and salaries

	Consultant A	Consultant B	Consultant C	Post adjustment
Consultant fee	4,100	6,000	9,100	
Incl. MSLS Rome	6,600	8,500	11,600	
Increase (percent)	61.0	41.7	27.5	21.1

Source: WFP data, International Civil Commission.

131. The Human Resources Division is responsible for managing consultants, the Management Services Division for travel and the Chief Financial Officer for processing payroll and related allowances and benefits. WFP employed 1,922 consultants at the end of 2025.
132. WFP stated that monthly subsistence living sum rates varied among locations due to differences in the cost of living. WFP had not changed the rates for some countries for many years, but that was in line with the DSA rates. In 2025, the Management Services Division asked 15 offices in which the rates exceeded 65 percent of the DSA rate to review the rates. WFP was of the opinion that post adjustment was not comparable to the monthly subsistence living sum. Post adjustment ensured that the purchasing power of international professionals, who were expected to be mobile, remained the same across different duty stations. With the monthly subsistence living sum, WFP contributed to the living costs of consultants at the place of assignment.

133. The External Auditor notes that the payment of the monthly subsistence living sum is complex and prone to error due to the detailed calculation requirements. In addition, it relies heavily on complete and accurate attendance records. The External Auditor also questions the current distribution of responsibilities for the monthly subsistence living sum, as the Human Resources Division oversees the rate for one location, while the Management Services Division is responsible for all other locations.
134. As many consultants hold contracts with WFP for up to four years, and some for even longer periods, the External Auditor questions whether basing the rates on DSA is the most appropriate approach. DSA is designed to cover official travel-related expenses, which is normally short-term. On the other side, location-based salary adjustments serve to compensate for differences in the cost of living and to equalize purchasing power.
- 135. The External Auditor recommends that WFP review the set-up for monthly subsistence living sum rates for consultancy contracts including the responsibilities, the process and the reference for determining the rates.**
136. WFP agreed with the recommendation. WFP stated that the establishment and payment calculation of the monthly subsistence living sum could be improved. A working group would be set up to review the responsibilities and simplify the process. WFP stated that the monthly subsistence living sum should be equal per location regardless of the consultancy fees. Using the post adjustment would mean that the living allowances would vary according to the fees.

3.3.3 Workday

WINGS access rights lag behind system change

137. On 1 July 2024, WFP implemented Workday as its new human resources management system. During the initial rollout, WFP had not established interfaces for all human resources processes between Workday and WINGS. Human resources officers had to enter human resources data into both systems manually. By November 2025, WFP had implemented additional interfaces between Workday and WINGS. Human resources officers had to manage that data in Workday only.
138. The External Auditor noted that human resources officers still had the same authorizations in WINGS as before the rollout of Workday. WFP had not reviewed and removed authorizations from their roles in WINGS, even though they had to use Workday for human resources management only. WFP explained that, in exceptional cases, it still allowed human resources officers to enter master data in WINGS, particularly in country offices.

139. The External Auditor holds that the continuing full access of human resources officers to WINGS creates the risk that human resources data is still managed in WINGS instead of Workday. This could lead to duplicate data entries and cause inaccurate salary payments. In the External Auditor's view, WFP should remove WINGS access rights that are no longer necessary.
- 140. The External Auditor recommends that WFP remove the WINGS access rights from human resources officers to ensure the use of Workday.**
141. WFP agreed with the recommendation. WFP stated that it planned a review of WINGS authorizations for 2026.

Discrepancies between Workday and WINGS

142. By November 2025, WFP had not yet integrated the following processes into Workday:
- Change Job
 - Change in contract step leading to a higher salary
 - Separation
 - Employee data change
 - Dependent events
 - Change in benefits
 - Temporary duty
 - Reassignment
143. WFP managed these processes through dual entry in Workday and WINGS. Additionally, it reconciled transactions recorded in WINGS with those in Workday on a daily basis. WFP resolved discrepancies either through uploads or manual adjustments.
144. The External Auditor reviewed a sample of employee data in WINGS and Workday and concentrated on the contract step of the employee. The External Auditor found that the step values of international and national employees varied both upwards and downwards in Workday compared to WINGS.
145. WFP stated that the step discrepancies did not affect payroll as the systems managing the payroll - WINGS or UNDP Quantum - processed the step increases. WFP performed regular reconciliations and alignments between Workday data and reporting outputs to maintain consistency. WFP further stated that it deployed integrations in line with technical and data readiness.
146. The External Auditor notes that, more than one and a half years after the rollout of Workday, WFP still lacks a human resources system covering all processes related to human resources. Duplicate entries, manual updates, and daily rework are error-prone, time-consuming, costly and should be avoided. The External Auditor notes with

concern that different systems display different contract data, even if these discrepancies might not have a financial impact.

147. The External Auditor recommends that WFP ensure correct employee (master) data in Workday and continue the migration process.

148. WFP agreed with the recommendation. WFP stated that, as part of the ongoing stabilization and optimization phase of the deployment, efforts were underway to further automate data flows, strengthen integration controls and reduce the need for manual interventions.

3.4 Finance, accounting and internal controls

3.4.1 Executive Director's Assurance Exercise

Better use of Executive Director's Assurance Exercise results

149. The Executive Director's Assurance Exercise is the basis for the Management Review of Significant Risk and Control Issues and a foundation for the Statement on Internal Control which provides assurance on the effectiveness of WFP's internal control system. The Assurance Exercise aims to identify issues that merit escalation to senior management and the Executive Board, and that require focused attention or systematic solutions. It is an annual self-assessment survey completed by country directors, regional directors, Global Headquarters function directors and department heads, and directors of advisory and assurance functions.

150. The 191 survey questions, tailored to different participant groups, are sub-divided into 22 categories. Most of these questions ask respondents to assess their office's level of maturity on a four-part rating scale. Other questions request respondents to state a percentage. The questionnaire seeks participants to describe the most significant challenges related to each process area and what actions the office takes, or will take, to improve controls in that area. The survey further includes questions which require narrative responses such as experiences with the recent organizational change management process or general suggestions on how to improve the survey.

151. Based on the 2025 Executive Director's Assurance Exercise responses, the External Auditor noted the following:

→ 30 out of 84 country offices responded that they did not perform the mandatory annual fraud risk assessment (compared to 22 in 2024). 10 out of the 84 country offices did not perform this assessment in two consecutive years.

→ 20 out of 84 country offices responded that they had not updated their Business Continuity Plan in the last 12 months (compared to 13 in 2024).

- 32 out of 70 country offices with warehouses managed by cooperating partners stated that they had conducted visits to '0 to 25 percent' of these warehouses quarterly (question was not included in the 2024 survey).
- Several country offices highlighted that the recent organizational change management process needs to be enhanced.
152. The External Auditor holds that the Executive Director's Assurance Exercise is a valuable tool to point country offices and Global Headquarters units/divisions to corporate requirements, to identify shortcomings or to introduce mitigating measures. It could serve as a good basis to generate common knowledge of actual challenges and proposed enhancements. The effort that all levels of WFP invest in the Executive Director's Assurance Exercise should result in concrete sustainable improvements for WFP.
153. The External Auditor notes that several responses indicate the need for improvement. In the External Auditors' view, WFP should use the results of the Executive Director's Assurance Exercise to drive action through existing tools such as the office/functional risk registers, annual workplans, management oversight plans, and budgeting processes. Such an integrated approach would ensure that this exercise is not only a standalone process. The External Auditor further holds that a strengthened and more systematic promotion of the Executive Director's Assurance Exercise results to offices and global functions could help to integrate the results into the planning and resourcing cycle.
- 154. The External Auditor recommends that WFP systematically promote the use of the Executive Director's Assurance Exercise's results to mitigate identified shortcomings and risks and prevent the recurrence of non-compliance.**
- 155. The External Auditor recommends that global functions and offices integrate the results into existing tools including risk registers, annual workplans, management oversight plans, and budgeting processes, as an integral part of the planning and resourcing cycle.**
156. WFP agreed with the recommendations.

Improving Fraud Risk Assessment compliance to reinforce management assurance

157. According to the WFP anti-fraud and anti-corruption policy, country directors ensure that managers under their supervision conduct, at least once per year, a fraud risk assessment designed to identify and assess fraud and corruption risks and develop and implement corresponding prevention measures and mitigating actions.

158. The External Auditor reviewed the responses of the Executive Director’s Assurance Exercise of 2024 and 2025. In the two years, the survey asked if the offices had completed a fraud risk assessment in the last 12 months. Figure 11 shows the country offices’ answers.

Figure 11

Fewer country offices completed risk assessments in 2025

In 2025, only 26 out of 84 country offices answered “yes” to the question “Has your office completed a fraud risk assessment in the last 12 months?”, almost half as many as in 2024.

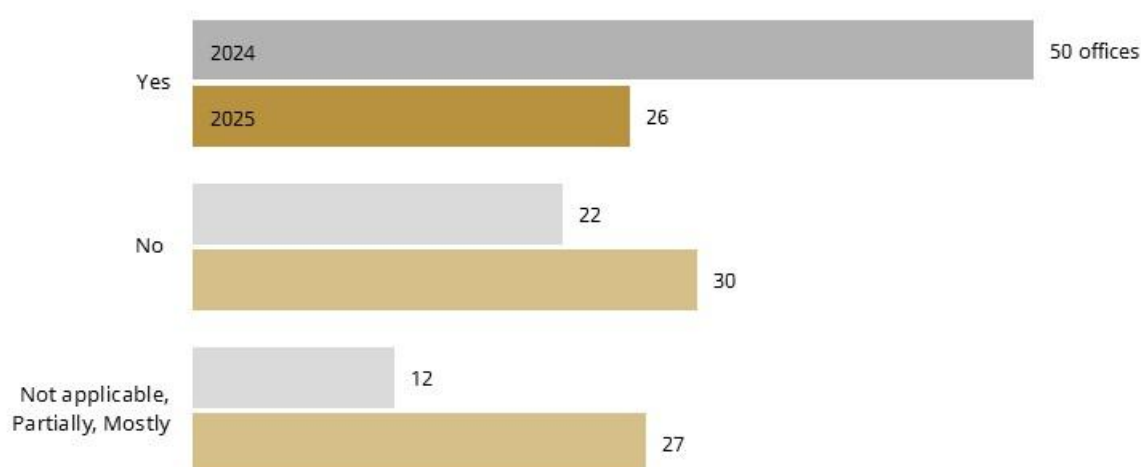


Figure: External Auditor; Source: WFP Executive Director’s Assurance Exercise 2024 and 2025.

159. During the External Auditor’s field visits to five country offices in 2025, the External Auditor requested the latest fraud risk assessment. Four of five country offices provided fraud risk assessment reports dated between November 2022 and June 2024. Two out of these four country offices stated in the Executive Director’s Assurance Exercise that they ‘fully’ completed a fraud risk assessment in 2025. One of these four country offices responded that it ‘mostly’ completed a fraud risk assessment in 2025.
160. The External Auditor notes that several country offices have not complied with the requirements of the anti-fraud and anti-corruption policy. The Executive Director’s Assurance Exercise shows a compliance rate of only 31 percent (2024: 60 percent), and a non-compliance-rate of 36 percent (2024: 26 percent). As some of the country offices visited provided inaccurate responses, the actual percentage of non-compliance will even be higher.

161. WFP should analyse the causes why country offices do not comply with WFP's requirement of assessing fraud risk. Based on this analysis, WFP should take oversight action to achieve better compliance of country offices to mitigate the risks of fraud and corruption. Also, WFP should improve the reliability of country offices' responses to questions of the Executive Director's Assurance Exercise. The External Auditor holds that only veridical responses allow WFP to identify shortcomings and to establish corrective measures.
- 162. The External Auditor recommends that WFP analyse why country offices do not comply with WFP's requirement of assessing fraud risks and take oversight action for better compliance.**
- 163. The External Auditor recommends that WFP improve the reliability of country offices' responses to questions of the Executive Director's Assurance Exercise.**
164. WFP agreed with the recommendations.

3.4.2 Expense recognition

165. WFP considers verifiability as a fundamental qualitative characteristic of financial information as required by IPSAS 1 and reaffirmed in the Financial Management Manual. Accordingly, WFP recognizes expenses when they are supported by verifiable documentation that allows independent confirmation of the underlying economic event. Such documents include release notes, distribution records, handover forms or goods receipt confirmations evidencing distribution, consumption or transfer of control. The External Auditor requested samples across different expense categories to obtain evidence as to whether WFP has complied with these requirements.

Unreconciled food commodities recorded as distributed to beneficiaries

166. In October 2025, the External Auditor requested supporting documents verifying a country office's expense posting of USD 0.8 million on 1 March 2025 with a document date of 1 January 2024. At the time of expense recognition, the country office had not uploaded verifiable documentation - such as release notes or signed handover forms - in WINGS. In January 2026, WFP provided a note for the records as supporting document, dated 9 January 2026.
167. The note for the records stated that conflict-related access restrictions and operational challenges in 2024 resulted in a large volume of theoretically unreconciled food stock and lacking essential supporting documents. Unable to verify final stock movements, the country office recorded the unreconciled food stock as distributed to beneficiaries.

Supporting document for expense drafted after External Auditor's observation

168. The External Auditor requested supporting documents verifying another expense posting of USD 0.04 million on 24 April 2025 with the same document date from the same country office. According to an email attached to WINGS, the country office procured two assets and transferred ownership immediately to a local non-governmental organization. The country office had neither uploaded nor provided other verifiable documentation such as delivery notes, goods receipt confirmation or signed transfer documents.
169. The country office acknowledged a compliance and risk mitigation concern as it had already donated the items without a donation letter. The country office subsequently issued the letter to align the documentation with the actual transaction seeking ex post facto approval to formalize the transfer of ownership.

Commodity voucher transfers

170. The External Auditor requested a sample from another country office. According to an agreement, WFP paid advances to a host government in an amount of USD 24.2 million for the national school feeding programme. WFP shared a document from the host government stating that the host government had spent a total of USD 22.4 million in the years from 2017 to 2024. The country office stated that it had verified USD 22.0 million. In 2025, the country office recognized expenses in the amount of USD 15.2 million for the school feeding programme.
171. Upon request, WFP provided an overview of eligible expenses amounting to USD 10.8 million. WFP subsequently shared a reconciliation for the overall amount of USD 22.0 million. This reconciliation included items that WFP had not posted. WFP then shared an updated reconciliation of the same amount but included different items. WFP stated that it had posted expenses late because of late reporting and necessary corrections.
172. The External Auditor notes with concern that WFP has prepared required supporting documentation only after the External Auditor has selected the samples, a reactive practice that indicates weaknesses in internal controls and does not constitute contemporaneous evidence. Documentation prepared after the expense initiating event cannot substitute required evidentiary documents. Expenses recorded should be plausible and reconcilable to timely and verifiable supporting documentation. The absence of such evidence constitutes non-compliance with IPSAS 1 and WFP's Financial Management Manual and exposes WFP to compliance and reputational risks.
173. **The External Auditor recommends that WFP ensure that country offices always recognize expenses based on verifiable supporting documents as required by IPSAS 1.**

174. WFP agreed with the recommendation. WFP stated that it applied the principle of recognizing expenses based on verifiable supporting documentation across its operations. WFP stated that it operated in some of the most challenging environments, where access limitations and security risks often constrained the consistent generation of such documentation.

3.4.3 Food commodities

Recurring food commodity losses

175. According to the WFP Financial Management Manual, WFP recognizes food commodity losses as an expense and removes the commodities concerned from inventory in the financial period when the losses have occurred. WFP reports the losses in the financial statements.
176. WFP provided a detailed report of food commodity losses in 2023, 2024 and 2025. The report showed that “problem at supplier”¹⁵, “warehouse”¹⁶ and “overlong storage”¹⁷ were among the top five reasons that commodities had become unfit for human consumption. This primarily related to food commodities with a short remaining shelf-life.
177. The External Auditor found that one country office distributed food commodities with a late expiry date and kept food commodities soon to expire on stock. The country office had to dispose of food commodities that had become unfit for human consumption due to overlong storage.
178. Another country office procured food commodities from the Global Commodity Management Facility (GCMF). Unexpected logistical challenges resulted in significant shipment delays. The country office considered the risk of non-compliance with government’s shelf-life import regulations and of potential rejection and contacted the GCMF team at Global Headquarters. The GCMF team’s efforts to redirect undistributed stock to other country offices were not successful. As a result, food commodities became unfit for human consumption due to overlong storage. The country office then sold the commodities as animal food.

¹⁵ Refers to losses or damage attributable to the supplier before or at delivery, caused by non-compliance with contractual, quality, packaging or handling requirements, e.g., quality defects, contamination, off-specification.

¹⁶ Refers to losses occurring while commodities are under storage, due to warehouse conditions, management practices or infrastructure shortcomings, e.g., infestation.

¹⁷ Refers to losses caused by food being stored beyond its safe or optimal shelf-life, resulting in expiry or quality deterioration, even when storage conditions may otherwise be acceptable, e.g., over-procurement.

179. WFP stated that strict import restrictions, the sudden decrease in funding, changes in country offices' modality (e.g., from food to cash-based transfers) and GCMF procurement activities based on historical trends caused food losses.
180. In the report of the 2024 audited annual accounts, the External Auditor highlighted the significant increase in food losses compared to 2023. The losses were mainly driven by "overlong storage" and "problem at supplier". The GCMF team procured those food commodities in quantities that the country office could not absorb in a timely manner. The External Auditor recommended that WFP intensify its oversight over food suppliers to ensure that food commodities procured meet the requested quality standards. The External Auditor also recommended that WFP review the GCMF processes to ensure utilization of the commodities in due time before expiry dates to avoid food losses.
181. Recurring food commodity losses indicate that WFP's current measures have not been sufficient to prevent their continued occurrence. While WFP cannot control losses caused by civil strife, these losses constitute an external risk inherent to operations in fragile and conflict affected contexts. By contrast, WFP can control and mitigate other loss reasons, including "problem at supplier", "warehouse" and "overlong storage". The External Auditor holds that these loss reasons fall within WFP's operational sphere of influence and are therefore subject to management action. Country offices should inform the GCMF team in advance when they change assistance modalities, especially in the context of declining funding trends. WFP should also consider that reduced donor engagement may lower actual food requirements, an aspect that may not be fully factored into procurement planning. Effective collaboration across all units involved is essential for WFP to procure, dispatch and store only quantities that can be distributed before they expire, thereby minimizing avoidable food commodity losses.
182. The External Auditor holds that WFP should prioritize food commodities with inherently longer shelf-life, particularly in countries with host government restrictions. WFP should also assess whether it can replace commodities by other kinds of commodities with longer durability to minimize preventable losses. WFP stated that programme implementation required the commodity selection. In particular, nutrition interventions necessitated specific commodities that WFP could not easily replace by alternatives without compromising nutritional objectives.
- 183. The External Auditor recommends that WFP strengthen communication and joint planning across country offices, the Global Commodity Management Facility and supply chain units to align procurement with needs, reduce losses and ensure timely action on ageing commodities.**

- 184. The External Auditor recommends that WFP strengthen oversight of supplier performance and warehouse management to prevent avoidable overlong storage and related commodity losses. In addition, WFP should, where consistent with programme and nutritional requirements, consider procuring and distributing products with longer shelf-lives to reduce avoidable losses.**
185. WFP agreed with the recommendations. WFP stated that food losses attributable to causes other than civil strife decreased by 40 percent in 2025 compared to 2024. WFP further stated that it would continue to strengthen communication and joint planning, reinforce visibility tools, and strengthen upstream planning.

3.4.4 Asset management

High volume of fully depreciated assets still registered

186. IPSAS 1 requires financial statements to present fairly the entity's financial position and performance. Accounting policies, including useful life assumptions for depreciable property, plant and equipment (assets), must faithfully reflect how assets are consumed in practice. WFP maintains a centralized asset management framework to ensure that all assets recognized in the financial statements are properly recorded and monitored throughout their life cycle.
187. According to its accounting policies and in line with the definition in IPSAS 17.13, WFP determines the useful life of capitalized assets based on their expected operational use, technical characteristics and historical experience. WFP should review the useful life periodically and adjust when necessary to reflect changes in usage conditions or asset performance. WFP depreciates assets over their estimated useful life.
188. The External Auditor analysed the asset register and focused on fully depreciated assets.

Figure 12

Majority of assets fully depreciated

Depending on the asset class, 42 to 81 percent of recorded assets had no remaining net book value and were therefore fully depreciated.

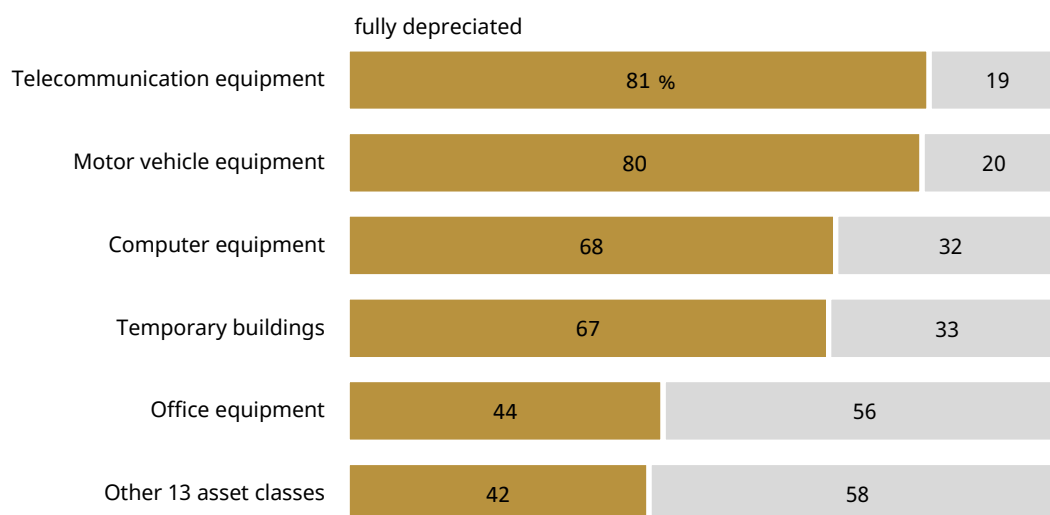


Figure: External Auditor; Source: Asset History Sheet as of 31 December 2025 PPE & Intangibles Report, provided by WFP.

189. As at 31 December 2025, the asset register listed 26,127 assets, of which 15,537 (59 percent) were fully depreciated, compared to 10,590 assets still carrying net book value. In several asset classes, the number of assets without net book value exceeded the number of those with net book value, most notably telecommunication equipment, office equipment, computer equipment and temporary buildings.
190. The large number of fully depreciated assets still active indicates a significant gap between assigned useful life and actual asset use. More than every second asset recorded was beyond its depreciable life. While the External Auditor appreciates that WFP continues to use fully depreciated assets when they remain functional, this suggests that useful life assumptions for certain asset classes may not reflect actual usage. This does not meet the requirements of IPSAS 17. Where assets are depreciated too fast, they become fully depreciated while still contributing to operations and carrying value. This may result in an understatement of property, plant and equipment values disclosed in the financial statements and a corresponding overstatement of depreciation expenses in prior periods. Over time, this misalignment may reduce the informative value and fair presentation of asset values and depreciation expenses in the financial statements as required by IPSAS 1.

191. The External Auditor recommends that WFP review the useful life assumptions for asset categories, particularly for assets fully depreciated and still active, and align them with the actual use. This is to comply with the IPSAS 1 and IPSAS 17 requirements to fairly present asset values and depreciation expenses disclosed in the financial statements.

192. WFP agreed with the recommendation.

3.4.5 Payroll

Weak controls in payroll systems

193. WFP uses three different payroll systems: WINGS, PASPort and UNDP Quantum. Regardless of the system, WFP assigns a unique WINGS identification number to each employee. The identification number links payroll data, entitlements and employment history to the employee.¹⁸

194. The External Auditor found duplicate employee records in WINGS and in PASPort. In one case WFP paid the employee under one identification number and switched to another identification number throughout the year. In the other case, WFP paid the employee twice under two separate identification numbers and later corrected the overpayment.

195. WFP stated that the current technical set-up in both WINGS and PASPort allowed the creation of separate identification numbers for the same employee.

196. The External Auditor holds that two separate identification numbers for one employee can lead to several risks, such as double payments, wrong deductions and incorrect calculation of benefits and entitlements. In the External Auditor's view, WFP should implement controls to mitigate these risks.

197. The External Auditor recommends that WFP implement controls to prevent the creation of separate identification numbers for the same employee in WINGS and PASPort.

198. WFP agreed with the recommendation. WFP addressed the risk of duplicate employee identification numbers by building a warning message into WINGS. WFP stated that it would further enhance the relevant system controls as part of the WINGS update.

¹⁸ In line with SAP HR design principles, each personnel record is identified by a unique WINGS personnel identifier, which is used to process payroll, entitlements and employment history. SAP, <https://help.sap.com/docs/successfactors-platform/managing-user-information/differentiating-between-person-id-uuid-user-id-and-assignment-id>, date of last access: 10 April 2026.

3.4.6 WINGS role management

Ignoring SAP advice for using Firefighter roles

199. WFP processes all financial postings in WINGS. In addition to standard user roles, WFP makes use of Firefighter roles. According to SAP, these roles provide elevated system access and are designed for exceptional or emergency situations.¹⁹ Users can execute transactions that are normally restricted to maintain segregation of duties. Firefighter sessions are logged for subsequent review. Financial postings executed using Firefighter roles are recorded under technical user identification numbers. They do not identify the individual employee performing the transaction.
200. The External Auditor noted that WFP executed more than 950,000 (5 percent) of all financial transactions using Firefighter roles. Audit testing identified at least four Firefighter roles that are used by two or more employees. In addition, the External Auditor sampled one financial line item posted with a Firefighter role.
201. WFP stated that the Firefighter role was not intended for operational postings. By accident, the employee used the Firefighter role instead of the regular user identification number. WFP acknowledged that Firefighter roles were originally intended for exceptional or emergency use. WFP stated that it granted certain employees Firefighter access to enhance traceability of payroll postings.
202. The External Auditor holds that transactions recorded by using the Firefighter role involve a high risk due to the lack of segregation of duty. Such transactions require close oversight. The very high number of such transactions limit WFP's ability to review them all. WFP cannot ensure that all Firefighter-based transactions comply with internal control requirements. In case of shared Firefighter roles, WFP cannot immediately determine which employee executed a specific transaction. The External Auditor holds that WFP should limit Firefighter roles strictly to exceptional or emergency situations.
- 203. The External Auditor recommends that WFP limit SAP Firefighter roles strictly to exceptional or emergency situations as advised by SAP.**
204. WFP agreed with the recommendation.

¹⁹ SAP, Creating Roles | SAP Help Portal, date of last access: 10 April 2026.

3.4.7 Bank accounts management

Mismatch of bank signatories

205. In his report of the 2022 audited annual accounts, the External Auditor recommended that WFP enhance its control over bank signatories when signatory rights change and conduct reviews of bank signatories on a spot check basis on predetermined intervals to ensure the consistency between designated and registered bank signatories.
206. According to WFP, it implemented the recommendation in 2023 by requesting confirmation letters from all banks and conducting monthly spot checks of bank accounts. Based on this information and on underlying supporting documents, the External Auditor considered this recommendation to be implemented.
207. For the audit of the 2025 Financial Statements, the External Auditor selected WFP bank accounts and requested the banks to provide the balances and the bank signatories as at 31 December 2025. While the confirmed bank account balances as at year-end in the bank confirmation letters matched in almost all cases with the information in the WFP trial balance as at year-end, the External Auditor found several mismatches of signatories. The signatories matched those in the WFP Access database for bank balances and signatories for 8 out of 17 bank accounts only.
208. The External Auditor found mismatches of signatories in nine cases. In one case, the bank reported ten signatories while WFP had registered seven bank signatories. The External Auditor noted not only a difference of three signatories but also that only one signatory matched in both lists. In four cases, the External Auditor identified significant discrepancies ranging from mismatches of two signatories up to nine signatories. In further five cases discrepancies also occurred, albeit to a lesser extent.
209. Although WFP has put several measures in place, the External Auditor's findings show that WFP's additional procedures still have not resulted in a full match of bank signatories registered at banks and at WFP. Signatories still registered at banks but no longer authorized by WFP could initiate unauthorized transactions causing financial loss. The External Auditor reiterates his concerns regarding the mismatches of bank signatories between banks' records and WFP records.
- 210. The External Auditor recommends that WFP review again its bank confirmation process to ensure that the bank signatories registered at WFP and banks match.**
211. WFP agreed with the recommendation. WFP stated that it would continue with further process improvements, including exploring technological solutions to enhance controls. WFP also stated that it would assess whether the timing of the full signatory reconciliation should be anticipated prior to year-end. WFP commented that due to reduced staff capacity, the frequency of full signatory reconciliations is limited.

3.4.8 Training for host government employees

Host government employees received money for attending training

212. The External Auditor reviewed trainings which a country office financed for a host government. The country office had received an overall funding of USD 42.6 million for two years.
213. The country office had concluded a field-level agreement with a cooperating partner to provide the training in 2025 to host government employees involved in social protection of refugees. The field-level agreement stipulated that nominative compensation of up to USD 500,000 would be granted to trainees as donations. 1,458 employees selected by the host government participated in two hours online training. Each participant received USD 340 on average. WFP's total costs were USD 548,000.
214. The same country office had concluded a field-level agreement with another cooperating partner to provide training in 2025 to host government employees involved in social protection reforms for vulnerable populations. Under this field-level agreement, the cooperating partner provided in total USD 1.2 million on behalf of WFP to the 3,595 participants as donations. Each participant received USD 322 on average. The training was conducted in two half-day sessions, and the host government selected the participants. WFP's total costs were USD 1.3 million.
215. In total, the country office provided for the two discussed trainings in 2025 USD 1.7 million to participating host government employees as donations. For other trainings in 2024, the country office paid additional USD 0.5 million to participating host government employees as donations.
216. The External Auditor is concerned that the country office has paid government employees USD 1.7 million for participating in trainings. WFP should have spent the money better by supporting vulnerable populations. The External Auditor considers it crucial that WFP prevent such practices. The External Auditor further holds that the amount of USD 1.7 million paid to government employees in 2025 is material, especially considering that the country office's average annual funding amounted to only USD 21 million. WFP should ensure appropriate oversight mechanisms to prevent reoccurrences of such payments to government employees.
- 217. The External Auditor recommends that WFP ensure that country offices do not pay government employees for participating in trainings.**
218. WFP agreed with the recommendation. WFP stated that the Programme Guidance Manual would benefit from additional clarity to country offices on how to manage participation incentives. WFP noted that in the particular case broader technical assistance and capacity strengthening is aligned with WFP policies, particularly in transition contexts. The observation highlights the need for clearer corporate

guidance to ensure these arrangements are properly structured, documented, and audit-compliant to enable WFP to pursue national system strengthening and localization investments from which long-term impact is derived.

219. In the External Auditor's opinion, WFP should in general refrain to pay government employees incentives for their sole participation in trainings.

3.5 Cash-based transfers

220. WFP transfers cash to beneficiaries such as banknotes, electronically, through debit cards, value vouchers or commodity vouchers. In 2025, WFP transferred USD 2.17 billion of cash. Out of this amount, WFP provided USD 1.44 billion through financial service providers. WFP engaged 153 active financial service providers in 2025.

3.5.1 Financial service providers' performance evaluations

Incomplete evaluations

221. WFP's Evaluation Policy stipulates that evaluation is a key instrument for accountability to stakeholders and for demonstrating results achieved with resources entrusted to WFP. It provides evidence-based findings that inform decision-making, improve performance and contribute to organizational learning. WFP determined in the Financial Service Provider Performance Evaluation Tool that country offices must conduct performance evaluations of financial service providers annually and at least six months before the contract expires.
222. According to WFP, the Financial Service Provider Performance Evaluation Tool assesses the quality and effectiveness of the services financial service providers.
223. The External Auditor reviewed the availability of financial service providers performance evaluations in DOTS²⁰. At the end of 2025, the External Auditor noted the following:
- For 46 out of the 153 financial service providers (30 percent), country offices had not carried out a performance evaluation.
 - For 42 out of the 153 financial service providers (27 percent), the performance evaluation had expired after 12 months.
 - Out of these 42 financial service providers, 22 performance evaluations were older than 24 months.

²⁰ DOTS is WFP's corporate data management platform.

224. The External Auditor holds that the country offices need to comply with the Financial Service Provider Performance Evaluation Tool and carry out performance evaluation annually and at least six months before the contract expires. Evaluations mitigate financial and reputational risks. Global Headquarters needs to intensify oversight to ensure that country offices conduct the necessary performance evaluations of financial service providers.
225. **The External Auditor recommends that WFP ensure that country offices comply with the Financial Service Provider Performance Evaluation Tool and conduct financial service providers' performance evaluations as required.**
226. WFP agreed with the recommendation.

3.5.2 Financial service providers due diligence process

Weak implementation of due diligence process and risk mitigation measures

227. According to WFP's guidance, due diligence is a key process within the financial service provider selection and contracting process. A due diligence process aims to identify and assess the strengths, weaknesses and risks related to the potential financial service provider and the proposed payment solution(s) (delivery risk); and to provide recommendations to mitigate these risks.
228. The objectives of the due diligence process are to
- strengthen a country office's cash-based transfer risk management; and
 - inform and expedite the financial service provider contracting process.
229. Country offices are responsible for initiating and conducting the due diligence process and following up on the recommendations. Global Headquarters reviews and clears the country offices' due diligence report. Prior to a financial service provider contract extension or a new financial service provider contract, the country office shall evaluate the need to update/draft the due diligence report and seek clearance by Global Headquarters to inform contract extension/new contract issuance.
230. In the course of the audit, the External Auditor noted the following:
- A country office had not conducted the due diligence process before it extended the expired contract with a financial service provider.
 - In the due diligence process, another country office found that the financial service provider had not implemented digital processes. The country office assessed that it might be exposed to risks. As a result, monitoring transactions could be difficult.

- The same country office identified that the same financial service provider had a higher risk of default or bankruptcy. The due diligence process determined that WFP should consider that financial service provider only in the absence of other financial service providers. The External Auditor found that the country office had already contracted that financial service provider several times.
- Another country office concluded in the due diligence process that the financial service provider constituted a high risk due to financial losses since the start of its operations. In its 2024 due diligence report of that financial service provider, the country office had already recommended that the financial service provider increase the financial guarantee to 100 percent of the expected monthly transfer value as a risk mitigation measure. The financial service provider only provided a financial guarantee of 2.1 percent of the actual average monthly cash transfer in 2025 (1.5 percent in 2024).
- Another country office determined in the due diligence process that the financial service provider had to provide audited financial statements of the past three years as a risk mitigation measure. The country office did not include that requirement in the signed contract. It stated that it had not received audited financial statements.
231. The External Auditor holds that applying due diligence when selecting financial service providers is essential to avoid financial risks. It is important that country offices follow established processes and ensure timely assessments, especially for countries with a higher WFP risk assessment. Country offices should update due diligence reports in case the risks have changed significantly. Updates ensure that recommended mitigation actions are in place.
- 232. The External Auditor recommends that WFP ensure that country offices comply with WFP’s guidance to conduct a due diligence process before they enter into or extend a contract with a financial service provider.**
- 233. The External Auditor recommends that WFP ensure that country offices implement its key recommended mitigation actions determined in due diligence reports on financial service providers or update the due diligence report and implement key recommended mitigation actions when the risk assessment of the financial service provider has changed significantly.**
234. WFP agreed with the recommendations.

3.5.3 SCOPE user roles

Review of user roles in SCOPE required

235. SCOPE is WFP’s digital platform to support cash-based transfer operations, including in-kind operations. SCOPE supports the registration and management of beneficiary data, approval of payment lists and preparing or processing of payments.

236. In accordance with the SCOPE Manual, each user is assigned a unique account. Country offices must ensure that each user role; for example, “Registrar”, “Payment List Creator” or “Payment List Approver”, is assigned to a different employee. Country offices should assign user roles in line with the principle of segregation of duties. In exceptional cases, where employees must perform multiple user roles, employees must provide a justification on a case-by-case basis, and the country director must approve. Such exceptions will expire after three months. WFP can also assign user roles with restricted access to external parties.
237. The External Auditor reviewed 1,072 user accounts from 12 country offices. The External Auditor found that 137 accounts (12.8 percent) held several user roles, for example, for creating and modifying beneficiary data, approving enrolments and preparing or processing payments in contrast to segregation of duties principles. Furthermore, the External Auditor found 178 accounts (16.6 percent) with system and technical profiles that also held programme roles.
238. The External Auditor reviewed 20 cases in which the country directors had approved exceptions to the segregation of duties. The External Auditor found that country offices provided the following justifications:
- essential for daily duties;
 - for operational reasons; and
 - to support SCOPE activities.
239. The documents did not contain a risk assessment; for example, the specification of the segregation of duties conflicts, the reason why the roles could not be separated, or the controls implemented to reduce the related risk.
240. In most cases, the country directors approved the exceptions for six months instead of three months. Additionally, the country directors renewed the exceptions to the segregation of duties after the six months. The documents did not show that the country offices had assessed the risks before extending those exceptions.
241. The External Auditor analysed successful logins over a three-day period and found that 1,151 user accounts had logged in 10,000 times. The External Auditor noted that almost a quarter of those logins were related to group accounts belonging to a call centre which a country office had engaged to operate the help line. After the External Auditor highlighted that observation, WFP replaced the group accounts with individual accounts.
242. The External Auditor holds that the role assignment process in SCOPE shows several weaknesses. Country offices do not comply with the segregation of duties requirements. Allowing one user to perform several steps of the process or even the entire process disables the system’s four-eyes principle and increases the risk of error and fraud. When system support users also hold programme roles, they can both

- administer the system and execute business processes. This entails the risk of unauthorized changes or manipulation.
243. Generic justifications in exception requests do not explain the specific conflict or the need to request an exception. Without assessing the risks and providing mitigation measures, WFP cannot properly evaluate and manage the exception. By routinely approving six-month exceptions and extending them, WFP accepts that risky role combinations remain active for extended periods without confirmation of an ongoing operational need or active risk management.
244. Finally, group accounts pose a security risk and are not allowed according to the SCOPE Manual. When several people use the same login details, WFP cannot identify who performed specific actions or accessed data.
245. **The External Auditor recommends that WFP properly justify and document every exception to the segregation of duties related to SCOPE roles, including specifications of the segregation of duties conflicts, the risks and the mitigation measures.**
246. **The External Auditor recommends that WFP review all SCOPE user accounts to ensure that all users have individual accounts and any critical segregation of duties conflicts are justified; and remove unjustified role combinations.**
247. WFP agreed with the recommendations. WFP stated that it planned to review the current process and strengthen oversight. WFP would ensure that segregation of duties was respected and exceptions were duly documented.

3.6 Cooperating Partner Management

248. Cooperating partners play a critical role in WFP's programme implementation. In 2025, WFP collaborated with 1,971 governmental, non-governmental and UN-agency partners. Cooperating partners distributed 91 percent of food commodities²¹ and 10 percent of cash-based transfers in 2025. Cooperating partner expenses amounted to USD 740 million.

Advances to cooperating partners

249. WFP Financial Rule 112.31 states that no advance payments shall be made in advance of the delivery of goods or performance of services contracted for, except where normal commercial practice or the interests of WFP so require. The Executive Director may authorize advance payments and shall establish criteria for exceptional advances.

²¹ 91 percent of the USD value of food commodities: Cooperating partners distributed food in the amount of USD 1.99 billion of USD 2.19 billion.

250. For agreements with non-governmental cooperating partners (field-level agreements), WFP developed General and Special Conditions. The Special Conditions reflect the Financial Rule 112.31 and stipulate that WFP shall reimburse cooperating partners for the costs they incurred when implementing the agreement. In accordance with the General Conditions, WFP may consent to an advance payment. The advance payment
- shall not exceed the projected operational costs of the cooperating partner for the forthcoming three months; and
 - shall in no case exceed USD 100,000.²²
251. WFP considers advance payments to be crucial for many smaller non-governmental organizations which incur significant start-up costs.²³ In 2025, WFP paid more than USD 171 million in advance payments to 1,095 cooperating partners, which corresponds to more than 50 percent of all partners.

WFP lacks internal guidance on advance payments

252. WFP's internal guidance documents do not address payments to cooperating partners in detail. The Programme Guidance Manual and the Financial Management Manual refer only to the General and Special Conditions on the field-level agreement. WFP's Goods and Services Procurement Manual addresses advance payments to suppliers in detail, calling for risk analyses for all exceptional advance payments and stating that risk analyses for exceptional advances above USD 100,000 shall be submitted to the Finance Division. The Manual is aimed at commercial suppliers and explicitly not applicable to cooperating partners.
253. The External Auditor holds that advance payments inherently carry risks as they constitute payments before receiving goods or services in return. Yet, the General Conditions allow country offices to pay advances to every partner as long as they comply with the thresholds. As a result, country offices have paid advances to more than 50 percent of cooperating partners in 2025. Due to the lack of guidance, country offices may not be aware of the risks related to advance payments. The External Auditor holds that it would be beneficial for WFP to specify circumstances under which country offices may advance funds to cooperating partners. For commercial suppliers, WFP established guidance and introduced the need for risk assessments. However, no such guidance exists for cooperating partners. Internal guidance is essential as it gives country offices more information on different available options, describing risks, best practices and risk mitigation measures. Such points are not included in documents with external effect, such as the Special Conditions on the field-level agreement.

²² If the agreement has a duration of up to six months, the advance shall not exceed 30 percent of the agreed budget or USD 100,000, whichever is less.

²³ Programme Guidance Manual, 4.5 Partnership Lifecycle: Payments.

254. The External Auditor recommends that WFP establish comprehensive internal guidance on cooperating partner payment procedures, defining conditions for advance payments to governmental and non-governmental cooperating partners and describing associated risks.

255. WFP agreed with the recommendation. WFP stated that, for non-governmental cooperating partners, the field-level agreement provided clear definitions of advances as well as the procedures governing advance payments. For governmental cooperating partners, WFP stated that it would incorporate relevant advance payment clauses into the templates currently being developed and provide additional clarifications in the forthcoming guidance.

256. In the External Auditor's opinion, the field-level agreement does not provide sufficient guidance as described in chapter 3.6 and additional internal guidance is needed for non-governmental as well as governmental partners.

No approval process defined

257. Country offices use an online WFP workflow to request the payment of advances to a third party, including cooperating partners. When the advance payment exceeds USD 100,000, the request is circulated to the Chief Financial Officer for approval. WFP does not have a workflow or an approval process for when the advance exceeds the partner's projected operational costs for three months.

258. The External Auditor reviewed a sample of 28 agreements with cooperating partners and found that six agreements specified advance payments exceeding USD 100,000. In some cases, they even exceeded USD 400,000. The country offices signed the agreements without prior approval of the advance payment amounts.

259. WFP has not defined criteria according to Financial Rule 112.31 which would allow country offices to pay advances to cooperating partners. Apart from the workflow, WFP has not defined the approval process. The External Auditor holds that WFP needs to define criteria and necessary approvals to ensure that country offices apply the process consistently and minimize risks. WFP should adjust the online workflow to take into account the cooperating partner specific restriction of operational costs.

260. The External Auditor holds that WFP should also consider the implications of country offices committing advance payments exceeding USD 100,000 in agreements with cooperating partners. The External Auditor is of the opinion that in these cases approval is needed before the signature of the field-level agreement.

261. The External Auditor recommends that WFP define approval processes and conditions under which advance payments to cooperating partners may exceed the thresholds stipulated in the General Conditions on the field-level agreement.

262. WFP agreed with the recommendation.

Advances not based on partners' operational costs

263. The General Conditions on the field-level agreement mention the cooperating partner's operational costs as the basis for advance payments. The External Auditor found that several agreements did not base advance payments on the partner's operational costs. Instead, the agreements
- specified precise payment tranches to the cooperating partners, for example 30 percent, 30 percent, and 40 percent or 75 percent and 25 percent of the agreement amount; or
 - stipulated that advance payments are possible but should not exceed 30 percent of the agreement amount or USD 100,000; or
 - stipulated advance payments exceeding USD 100,000.
264. The External Auditor holds that these payment modalities do not adhere to the General Conditions on the field-level agreement as the advance payment amounts are not based on the cooperating partners' operational costs. The External Auditor believes that advance payments not justified by cooperating partner operational costs pose risks. Country offices need to tie payments to actual costs and progress to encourage partners to implement activities as planned and in a timely manner. It also requires partners to regularly report on actual expenditures before receiving new funds. Advancing smaller amounts regularly reduces WFP's financial risk while also taking into account the cooperating partner's capacity. WFP should therefore ensure that country offices maintain a clear understanding of the cooperating partners' operational costs to assess the need for advance payments.
265. **The External Auditor recommends that WFP ensure that country offices base their advance payments to cooperating partners on the partner's operational costs in accordance with the General Conditions on the field-level agreement.**
266. WFP agreed with the recommendation.

Per-payment threshold not fit for purpose

267. In its analysis, the External Auditor found instances where country offices paid multiple advances to one cooperating partner in a single day. While each individual advance payment did not exceed the threshold of USD 100,000, the sum of payments did. For example, one country office made three payments of USD 49,000 to one cooperating partner under one agreement on the same day. WFP explained that the advance requests by the cooperating partners were processed separately because they were driven by urgent operational requirements.
268. The External Auditor also found that cooperating partners received new advances even though they still had unused funds, regardless of their advance balance. For example, one cooperating partner's advance balance was at USD 180,000 when the country office paid another advance of USD 80,000.

269. The External Auditor holds that the threshold of USD 100,000 can only act as a risk mitigation measure if it takes into account the outstanding advance balance at the cooperating partner. The risk inherent to advance payments does not arise from individual payments but from the cumulative funds at the cooperating partner. The External Auditor is of the opinion that assessing risks based on a single advance transaction does not reflect the actual risk exposure. Furthermore, a per-payment threshold can be circumvented, whereas a limit on outstanding balances cannot.
- 270. The External Auditor recommends that WFP define the advance payment threshold of USD 100,000 as the amount held by the cooperating partner under one field-level agreement.**
271. WFP agreed with the recommendation and stated that the current advance payment threshold of USD 100,000 was applied at the individual agreement level. Applying the threshold per agreement allowed WFP to tailor advance levels to the specific operational and risk context of each intervention.

3.7 Downsizing of operations

3.7.1 Country Office's closure

Lessons learned to be used for future closures

272. In 2024, WFP decided to close the Moldova Country Office at the beginning of 2026. Given current budget restraints, WFP is planning to close further country offices.
273. In October 2025, the External Auditor conducted an audit visit to the Moldova Country Office and also reviewed the closure process. Based on the WFP 2019 checklist for office closure, the Moldova Country Office had developed a transition plan early in 2025 which it regularly updated. For a lessons learned exercise, the Country Office asked leaving employees to fill out a questionnaire. The Moldova Country Office informed the External Auditor that WFP had updated the corporate 2019 checklist in September 2025.
274. During the audit of Global Headquarters, WFP provided guidance on tasks to be performed when closing a country office. The guidance is accompanied by a checklist, including the relevant tasks to be completed. For most of these tasks, the guidance and checklist did not contain detailed explanations on how the country office could achieve these tasks.

275. The External Auditor takes note that the guidance contains relevant elements to be considered during office closure but lacks clear definitions and instructions on how to carry out the different steps. Since WFP is planning to close further country offices, the External Auditor sees great value in an assessment of lessons learned from the Moldova Country Office's closure and the integration of the relevant outcome in the guidance.
- 276. The External Auditor recommends that WFP use lessons learned from the Moldova Country Office to improve guidance's to facilitate further office closures.**
277. WFP agreed with the recommendation. WFP stated that it already integrated lessons learned from recent country office transitions into its corporate Non-Resident Agency guidance and checklist.

3.7.2 Exit strategies

Ensuring compliance with country strategic plans policy on prioritization and transition

278. The policy on country strategic plans stipulates that country strategic plans should include the criteria and/or conditions under which WFP's support might no longer be required, including transition and/or exit plans. According to the country strategic plan narrative template, country offices are expected to state the following under the "Prioritization and transition" section of the template:
- whether by the end of the country strategic plan, WFP is expected to scale down, exit or shift to an alternate presence model;
 - how and when elements of the country strategic plan will be handed over to other actors;
 - the requirements underlying a successful transition/handover, including those related to host government capacity; and
 - how the outcomes of the country strategic plan will be sustained beyond the timeframe of the country strategic plan, including how localization will be pursued to support sustainability.
279. The External Auditor reviewed a sample of ten recently approved country strategic plans and noted the following in the "Prioritization and transition" section:
- In one country strategic plan of a country office which WFP plans to transition out by the end of 2030, the country office included information for all country strategic plan outcomes/programmes, including measurable targets and milestones.
 - In one country strategic plan, the country office included a detailed description of targets and how the country office planned to achieve them. The description included a timeline and measurable targets.

- In two country strategic plans, country offices included a general description of transition activities, goals and the partners involved. These country strategic plans did not include specific targets, even though one of the country offices planned to finalize the transition by 2030.
 - In four country strategic plans, country offices included a description of either the transition activities and the partners involved or a description of the overall goals of the transition without information on the activities and partners to achieve them. In three of these cases, the descriptions remained vague.
 - In two country strategic plans, country offices included only very general references to a handover/transition strategy to be developed without any information on the programmatic area, the activities or the partners to be included.
280. The External Auditor holds that compliance with the policy on country strategic plans and plan for handover, transition and exit throughout the whole cycle of a country strategic plan and of the assistance to a country is important. In the External Auditor's view, this becomes even more important with the growing need for food assistance worldwide and pressure on the budgets of humanitarian organizations. The review of the ten recently endorsed country strategic plans shows that not all country offices have included transition/handover strategies in the country strategic plan that are detailed enough to help achieve these goals throughout the country strategic plan cycle. Half of the country strategic plans do not include any or only vague statements on the overall strategy.
- 281. The External Auditor recommends that WFP comply with the policy on country strategic plans and provide the required information on prioritization and transition in the country strategic plans.**
282. WFP agreed with the recommendation. WFP stated that it will improve qualitatively the description of exit strategies in the country strategic plans, within word limits, to better inform on transition possibilities and plans.

3.8 Self-insurance scheme - the Captive

3.8.1 Claims process

Food loss claims delayed

283. According to WFP, the organization operates an internal self-insurance scheme called "the Captive". The Captive aims to provide cost-effective and operationally aligned insurance coverage. It insures commodity movements from the point at which WFP takes possession until final handover or distribution. Its primary objective is to enable country offices to replace lost commodities promptly and ensure uninterrupted food distributions.

284. The Captive operates under a comprehensive governance framework. In addition to established guidance and policies, the Operational Risk Mitigation Service Manual requires country offices to:
- record all transport and storage losses immediately in “LESS”, the Logistics Execution Support System, upon delivery or upon detection of discrepancies to enable third party recovery and claims processing by the Captive;
 - attach required supporting documents, such as waybills or superintendent reports, when submitting a loss claim in LESS; and
 - transfer all third-party recoveries for transport losses to the Captive.
285. The External Auditor found that, in 2025, country offices filed 25 percent of their claims to the Captive later than 180 days after the loss had occurred.
286. The External Auditor selected a sample of claims and requested WFP to provide the required supporting documentation for each claim submitted to the Captive. WFP did not provide the requested documents. The External Auditor also did not find the documents uploaded in LESS.
287. WFP stated that country offices did not consistently transfer eligible third-party recoveries to the Captive as required by the Operational Risk Mitigation Manual. The Captive could not quantify the amount of not transferred recoveries.
288. WFP stated that it continuously updated guidance and procedures for claiming food losses. According to the Captive, strengthening controls at claim creation and during claims processing improves oversight across the loss management process. The Captive considered these measures to support effective loss management, strengthen governance and enhance the protection of WFP resources.
289. The External Auditor notes that country offices have not consistently complied with requirements for timely loss recording, adequate documentation and the transfer of recoveries. Although WFP has established a comprehensive governance framework, inconsistent implementation at country office level weakens the Captive’s effectiveness, which depends on such compliance. These weaknesses impair the Captive’s ability to ensure accurate financial reporting, secure third-party recoveries and reimburse losses promptly. This also limits country offices’ ability to procure replacement commodities without delay. Claims submitted more than 180 days after a loss do not support uninterrupted distributions, undermine operational reliability and may adversely affect WFP’s reputation and donor confidence.
290. The External Auditor holds that persistent delays in loss recording, settlement and inconsistent forwarding of recoveries demonstrate that oversight and support alone are not applicable to result in a sufficient behavioural change across country offices. The External Auditor concludes that inadequate compliance is not sufficient to safeguard the Captive’s mandate and financial integrity. The External Auditor holds that the Captive needs proportionate enforcement instruments, including escalation

mechanisms and sanctions, to ensure compliance with established requirements. These measures would complement existing oversight activities rather than replace them. The External Auditor considers this essential to ensure timely loss recording and safeguard financial reporting and recovery processes.

291. The External Auditor holds that enforcement mechanisms are justified given the demonstrated limitations of guidance-only approaches and the operational consequences of delayed or incomplete compliance.
- 292. The External Auditor recommends that WFP enforce country office compliance with the Operational Risk Mitigation Manual through effective escalation mechanisms to ensure timely loss recording, safeguard the Captive's mandate and ensure continuity of operations.**
293. WFP agreed with the recommendation.

3.8.2 The Captive's financial capacity

Solvency jeopardized

294. WFP administers the Captive through a special account in line with WFP Financial Regulations 12.1 and 12.2. WFP further specifies the retention levels, funding responsibilities and oversight arrangements in the Operational Risk Mitigation Manual. The Captive finances its activities primarily through internal premium collections supplemented by third-party recoveries. In 2017, WFP significantly broadened the coverage. It expanded the scope to include losses that external commercial insurers typically exclude, in particular war-on-land risks and conflict-related risks. In 2024, WFP broadened the coverage again to include financial risks, property risks and emerging or hard-to-insure risks.
295. The Captive's solvency deteriorated sharply due to unprecedented conflict-related losses beginning in 2023. Losses increased from USD 49 million in 2023 to USD 57 million in 2024 and USD 112 million in 2025. Conflicts in Sudan, the Gaza Strip, Myanmar, the Syrian Arab Republic and the Democratic Republic of the Congo accounted for most of that increase. Reduced premium income, commodity rejections, security-related access issues and implementation delays further weakened the solvency.
296. WFP implemented the following measures to restore financial stability:
- The WFP Executive Board approved a one-time capital injection of USD 70 million under the update to the WFP Management Plan (2025–2027). The Executive Board authorized the transfer from unearmarked General Fund resources to strengthen the solvency of the insurance captive.

- The Captive requested an increase in premiums of 1.00 percent to 1.68 percent. Global Headquarters' Supply Chain and Delivery Division approved the request effective as of 11 November 2025.
- The Captive ceded a portion of the political violence risks to the external market.
297. As of 31 December 2025, the Captive held a balance of USD 113 million which was USD 24 million below its projected solvency requirement of USD 136.6 million. The External Auditor noted that, from January to the end of February 2026, the Captive disbursed USD 7.2 million to settle claims and cover internal expenses. Concurrently, the Captive collected premiums and recoveries totalling USD 1.7 million. The Captive informed the External Auditor that WFP internally discussed how to ensure the long-term financial sustainability.
298. The External Auditor holds that conflict-related losses, which are more like large humanitarian shocks than insurable events, have significantly and repeatedly challenged the Captive's financial capacity. These losses reflect principal structural risk drivers and expose the Captive persistently to escalating war-related financial pressures. The current premium structure results in systematic cross-subsidization, with low-risk operations indirectly financing high-risk conflict environments.
299. The External Auditor holds that WFP should reassess the decisions taken in 2017 and 2024 to expand coverage to additional risks. The Captive's existing income base is insufficient to cover the scale and unpredictability of current conflict-related risks. Repeated capital injections depend on Executive Board approval and therefore do not represent a sustainable financing solution. In the absence of assured capital replenishment, WFP should identify alternative funding mechanisms, including the introduction of risk-based premium pricing.
- 300. The External Auditor recommends that WFP reassess the expanded coverage of high-severity conflict-related and hard-to-insure risks and align the Captive's financial risks with its sustainable income-generating capacity. WFP should strengthen solvency safeguards, including risk-based premium pricing.**
301. WFP agreed with the recommendation.

3.8.3 Insurance recoveries management

One database for insurance recoveries needed

302. On request of the External Auditor, WFP provided a list of insurance recoveries for food losses from January to November 2025. The list contained data from LESS, WINGS and from VENTIV IRM, a cloud-based system for Insurance and Risk Management. The External Auditor noted that about 10 percent of the list's data fields were blank. The External Auditor noted the explanation that the Supply Chain and Delivery Division could separately provide additional information for the blank data fields. In the list

provided, the External Auditor found almost 2,000 out of 15,277 cases (13 percent) with the claim date before the incident date, in one case up to 4.5 months. In all other cases, with the incident date before the claim date, the biggest time difference between the two dates was more than four years.

303. The External Auditor is of the view that WFP should not process claims if data is missing and if the claim date is before the incident date. The External Auditor considers this a significant risk for the accuracy and purpose of the Captive and its function to recover food losses in a timely manner. The External Auditor is concerned about cases with considerable time between the incident date and the claim date. WFP should combine all required data collected by the several systems LESS, WINGS, VENTIV IRM and the additional Supply Chain and Delivery Division information in one database.
- 304. The External Auditor recommends that WFP establish one database for insurance recoveries under the Captive with validated data from LESS, WINGS, VENTIV IRM and with information from the Supply Chain and Delivery Division.**
305. WFP agreed with the recommendation. WFP further stated that it had refined the report logic to explicitly separate the 'Claim Creation Date' from the 'Loss-linked Date' to ensure chronological transparency. WFP also implemented strict time limits on loss grouping on a claim.

4 External Auditor's review of disclosures by management

4.1 Losses, write-offs, and ex-gratia payments

306. Note 9 of the financial statements included details of losses of cash, food commodities and other assets in a total amount of USD 116.4 million. The reported losses comprised food commodity losses of USD 112.9 million, contributions receivable write-offs of USD 1.3 million, losses of other assets and cash of USD 1.6 million, losses of non-food items of USD 0.5 million, and losses of property, plant and equipment of USD 0.2 million. WFP also reported that it had made ex-gratia payments of USD 1.5 million, mainly pertaining to end-of-service grants.

4.2 Cases of fraud and presumptive fraud

307. In accordance with the International Standards on Auditing (Standard 240), the External Auditor plans audits of the financial statements so that the External Auditor has a reasonable expectation of identifying material misstatements and irregularities (including those resulting from fraud). The External Auditor's work, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud remains with WFP management.
308. During the audit, the External Auditor made enquiries of management regarding their oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risk of fraud, including any specific risks identified by management or brought to its attention. The External Auditor also enquired as to whether management had knowledge of any actual, suspected or alleged fraud, including enquiries by Internal Audit.
309. During 2025, WFP reported 132 cases of fraud valued at USD 4.1 million (2024: 114 cases valued at USD 6.5 million). Out of this amount, USD 0.2 million (2024: USD 0.8 million) were recovered. In addition, WFP reported 165 cases of theft and embezzlement valued at USD 30.2 million (2024: 229 cases at USD 12.2 million). Out of this amount, USD 0.2 million (2024: USD 0.5 million) were recovered. WFP reported 65 cases of presumptive fraud valued at USD 3.9 million (2024: 27 cases at USD 3.6 million). Cases of presumptive fraud related to ongoing investigations where amounts could be reasonably estimated.

5 Acknowledgement

310. The External Auditor wishes to express appreciation for the cooperation and assistance by the Executive Director, the Deputy Executive Director and Chief Operating Officer, the Chief Financial Officer, and the Assistant Executive Directors and their staff.

6 Annex

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
1	WFP/EB.A/2022/6-H/1 chap.III, para 22	Management of Cooperating Partners	The External Auditor recommends that the registration of cooperating partners by country offices be made more reliable by completing the clean-up of their identifiers by the end of 2022 and preparing a guide for country offices on how to record data.	The clean-up of data for government entities is expected to begin in 2026, with additional human resources assigned to the dedicated function in the Supply Chain and Delivery Division in February to support government partnerships.	WFP has conducted a data clean-up for non-governmental partners and is planning to cleanup governmental partner data in 2026. The recommendation remains under implementation.		X		
2	WFP/EB.A/2022/6-H/1 chap.III, para 27	Management of Cooperating Partners	The External Auditor recommends that a database of cooperating partners be created in order to facilitate their administration and reporting on their management.	Government partners are available in the Partnership Tracker and further validation is underway.	WFP is in the process of enhancing its Partnership Tracker dashboard to include all agreements with cooperating partners, including governmental partners. The recommendation remains under implementation.		X		
3	WFP/EB.A/2022/6-H/1 chap.III, para 41	Management of Cooperating Partners	The External Auditor recommends that the WFP central governance arrangements for cooperating partnerships be clarified and unified by	Central governance arrangements for cooperating partnerships with both government and non-government partners, including delivery assurance, oversight, risk management, and contracting, are under the Supply Chain and Delivery	The External Auditor welcomes that WFP decided to place non-governmental cooperating partners and governmental cooperating partners under the purview of the Supply Chain and Delivery Division. Since this decision has not been		X		

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
			consolidating responsibilities in a single unit or division at headquarters and by adapting the Corporate Guidance on WFP Management of non-governmental organization partnerships and the contractual agreement template to take into account government partners.	Division, with normative guidance and support from the Programme Division. These arrangements are further formalized through a draft directive from Assistant Executive Director - Programme Operations which remains subject to further clarification, including its eventual form, e.g., issuance as an Executive Director Circular. Guidance on WFP engagement with governmental organization partnerships will be developed and the guidance on Transferring WFP Resources Through Government Systems updated as required. Legal Office is drafting a contractual agreement template for government partners, with implementation by the Supply Chain and Delivery Division.	formalized and since there is still no template for agreements with governmental partners, the recommendation remains under implementation.				
4	WFP/EB.A/2022/6-H/1 chap.III, para 52	Management of Cooperating Partners	The External Auditor recommends that a partner capacity strengthening strategy be proposed as of 2022.	The Capacity Strengthening Strategy for local non-governmental organization cooperating partners was approved by the Assistant Executive Director - Programme Operations.	WFP has developed its "Operational Capacity Strengthening Strategy for Local NGO Cooperating Partners". WFP has also updated its NGO Partnerships Guidance accordingly. The recommendation is considered to be implemented.	X			
5	WFP/EB.A/2022/6-H/1 chap.III, para 101	Management of Cooperating Partners	The External Auditor recommends that risk analyses be conducted systematically in the selection of cooperating partners and that the results be shared at the	Risk analysis related to cooperating partners is integrated throughout the entire partnership cycle at country office level. It begins with the use of the United Nations Partner Portal due-diligence process, followed by the application of the	WFP assesses risks connected with cooperating partners through its updated risk-informed Capacity Assessment Tool before signing an agreement with the cooperating partner. These risks are taken up at different stages of the partnership.	X			

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
			regional and central levels.	updated risk-informed Capacity Assessment Tool, which enables early identification and evaluation of risks before any field-level agreement is signed. The identified risks are revisited during the partner-selection review, the annual risk-informed spot check planning, and the cooperating partners performance assessment.	The External Auditor considers the recommendation to be implemented.				
6	WFP/EB.A/2022/6-I/1 chap. III, para 28	Oversight by Management	The External Auditor recommends that the concept of oversight as used at WFP be clarified and standardized.	WFP clarified the concept of oversight as used at WFP through the WFP Accountability and Oversight Framework approved by the Executive Board in November 2025. The Framework provides an integrated and standardized articulation of accountability, governance and oversight across the organization and supersedes the 2018 WFP Oversight Framework. The new Framework defines oversight as one of the key components of WFP's accountability system, distinguishing it from both internal controls and day-to-day management responsibilities and is primarily exercised through the second line under the Three Lines Model, with the third line providing independent oversight and assurance.	WFP has issued a new Accountability and Oversight Framework which clarifies the concept of "oversight". The recommendation is considered to be implemented.	X			
7	WFP/EB.A/2022/6-I/1	Oversight by Management	The External Auditor recommends that the meaning of the term	WFP clarified the meaning of the term "monitoring" through the WFP Accountability and Oversight	WFP has issued a new Accountability and Oversight Framework which clarifies the term	X			

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	chap. III, para 48		"monitoring" be clarified in order to better distinguish the responsibilities of the three lines of defence.	Framework approved by the Executive Board in November 2025. Specifically, the Framework clarifies that monitoring is an important element of WFP's accountability system and distinguishes it as separate element from oversight. The Framework also further defines the varying nature of monitoring including the difference between programme performance monitoring and controls and compliance monitoring. Lastly, the Framework also clarifies the three lines model and differentiates monitoring in each line.	"monitoring". The recommendation is considered to be implemented.				
8	WFP/EB.A/2022/6-I/1 chap. III, para 85	Oversight by Management	The External Auditor recommends the introduction in all country offices of a mechanism for following up recommendations made by the regional bureau, as is done for recommendations from internal and external audits, for example in the R2 risk and recommendation management tool.	WFP is in the process of implementing the management oversight recommendations workflow in the Risk and Recommendation Tracking Tool R2. The workflow design and data field requirements in R2 have been finalized, awaiting final configuration in the R2 system.	WFP is still in the process of implementing a new tool for the follow-up of oversight recommendations. The recommendation remains under implementation.		X		
9	WFP/EB.A/2022/6-I/1 chap. III, para 103	Oversight by Management	The External Auditor recommends that automated risk reporting be strengthened through	The Risk Management Module in the new R2 platform has been deployed, tested and was rolled out in February 2026. Webinars to	WFP has launched the new Risk Management Module of the new R2 platform and all 2026 risk registers will be uploaded. The	X			

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			the use of data input forms that make it possible to transfer information to the R2 software and to track successive changes.	introduce the platform were conducted. The due dates for country offices and Global Headquarters divisions to upload their 2026 risk registers into the system are 26 February and 31 March respectively.	External Auditor considers the recommendation to be implemented.				
10	WFP/EB.A/2022/6-A/1 sec. 1, chap. III, para 47	Audited Annual Accounts 2021	The External Auditor recommends to revise the directives, circulars and guidance documents on the management of funding agreements to ensure consistency and to include, as appropriate, a decision tree that specifies the consultations and decisions at each stage, depending on the circumstances and types of contributions.	Since 2021, WFP has consolidated its policy framework for funding agreements, strengthening governance, delegations of authority, approval thresholds (including non-standard clauses and indirect support cost rates), and operational guidance through the Contribution and Grants Management Manual and a formalized Full Cost Recovery Framework. Guidance on non-standard clauses and a draft Executive Director Circular further harmonize delegations. WFP also established a centralized Contracts and Grants Management Unit to support consistency and oversight. These actions address the recommendation.	The External Auditor acknowledges the drafted Executive Director Circular which addresses the management of funding agreements. However, the Executive Director Circular has not yet been approved. Therefore, the recommendation remains under implementation.		X		
11	WFP/EB.A/2023/6-G/1 chap. C, para 38	Fuel management	The External Auditor recommends that WFP review and update the supplier roster at least once per year.	The review of the aviation fuel vendors roster has been undertaken jointly within the Supply Chain and Delivery Division. The existing vendor list that has been cleaned up and new potential vendors identified, were included. Based on	The External Auditor acknowledges the latest roster review and notes that it took more than a year. WFP stated that it would start the next review in March 2026. The External Auditor urges WFP to review the roster before submitting any new	X			

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				the preliminary vendor list, Supply Chain and Delivery Division onboarded approved vendors into the JetA1 roster using the SmartSourcing Platform's standard registration process. The roster review process is regulated through the updated version of the Supplier Relationship Management relevant manual.	tender. The External Auditor considers the recommendation to be implemented.				
12	WFP/EB.A/2023/6-G/1 chap. C, para 100	Fuel management	The External Auditor recommends that WFP capitalize fuel that is held on stock to improve oversight on fuel management.	Technical solution is under development and will be rolled out globally once complete and tested. Joint communications planned to support the global rollout, including fuel capitalization guidance and training.	WFP stated that a technical solution is under implementation and will be rolled out globally once completed and tested. The rollout will include fuel capitalization guidance and training. The External Auditor considers the recommendation to be under implementation.		X		
13	WFP/EB.A/2023/6-G/1 chap. C, para 104	Fuel management	The External Auditor recommends that WFP establish a corporate guidance on the accounting processes of aviation, vehicle and facility fuel providing instructions on the consistent asset recognition and management of fuel.	Technical solution is under development and will be rolled out globally once complete and tested. Joint communications planned to support the global rollout, including fuel capitalization guidance and training.	WFP stated that a technical solution was under implementation and would be rolled out globally once completed and tested. The rollout will include fuel capitalization guidance and training. The External Auditor considers the recommendation to be under implementation.		X		
14	WFP/EB.A/2023/6-G/1	Fuel management	The External Auditor recommends that WFP record and regularly monitor the data on	During 2025, additional meters were installed in country offices, supported by the guidance developed for field technicians.	WFP has installed additional energy meters, improved network connectivity for data validation and visualization and configured a	X			

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	chap. C, para 116		energy production of its solar power systems and analyse the reasons for low energy production.	Network connections were improved to enable data validation and visualization. Evaluation of the ARCHIBUS and Field Remote Infrastructure Monitoring tool was completed and pricing reviewed. ARCHIBUS was assessed to be technically compliant and best value for money. Procurement of the ARCHIBUS Energy sub-module was finalized in May 2025. Configuration of the dashboard to record and regularly monitor global solar energy production data and help troubleshoot solar system performance issues was completed in June 2025.	global dashboard to record and regularly monitor solar energy production and support troubleshooting. The External Auditor considers the recommendation to be implemented.				
15	WFP/EB.A/2023/6-F/1 chap. C, para 15	Support services	The External Auditor recommends that WFP define mandatory criteria for the registration of goods and services suppliers and consider differentiating between different levels of registration.	Supplier Relationship Management Guidance is established and disseminated across all WFP offices through the relevant manual which includes onboarding, minimum criteria for registration, level of registration, potential additional category-specific requirements. The registration process in WINGS remains unchanged, as SmartSourcing complements and feeds into the existing WINGS registration process.	With the implementation of the new SmartSourcing system and the adoption of category management, WFP has decided to pursue a different approach. The new Procurement Manual includes criteria for pre-qualification and registration in the system. Category managers may establish more than one roster, depending on the complexity of the category. The registration process in WINGS remains unchanged. The recommendation is considered to be overtaken by events.				X

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16	WFP/EB.A/2023/6-F/1 chap. C, para 23	Support services	The External Auditor recommends that WFP define the minimum requirements that a supplier has to fulfil to be included in the supplier roster; and provide respective guidance to the offices outside headquarters.	Supplier Relationship Management Guidance is established and disseminated across all WFP offices through the relevant manual. The manual includes onboarding, minimum criteria for registration, level of registration, potential additional category-specific requirements. In a nutshell, there are minimum mandatory criteria required from all vendors for pre-qualification. For specific categories, enhanced qualifications requirements are either mandatory or required at category manager or country office's discretion. This structure applies across offices, to allow a proportionate framework depending on context.	The new Procurement Manual defines pre-qualification criteria. WFP confirmed that it would supersede the Goods and Services Procurement Manual, which contains deviating stipulations, by April 2026. The External Auditor considers the recommendation to be implemented.	X			
17	WFP/EB.A/2023/6-F/1 chap. C, para 37	Support services	The External Auditor recommends that WFP stipulate that, as a general rule, at least three quotations that meet WFP's requirements must be obtained; and define in which cases it is justified to request only one quotation before awarding an MPO.	The Procurement Manual requires country offices to obtain three quotations and provide a justification in case less than three quotations are available. This is further strengthened by the configuration in SmartSourcing for separate competitive and non-competitive micro purchase orders with requirements for strong justifications for non-competitive micro purchase orders. WFP confirmed that the transition to the new Goods and Services Procurement Manual is underway.	WFP will update the new Procurement Manual and request country offices to obtain three quotations and provide a justification in cases when less than three quotations are available. WFP confirmed that the new Manual would supersede the Goods and Services Procurement Manual, which contains deviating stipulations. The External Auditor considers the recommendation to be implemented.	X			

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18	WFP/EB.A/2023/6-F/1 chap. C, para 38	Support services	The External Auditor recommends that WFP strengthen its review and oversight regarding MPOs of headquarters' divisions and offices outside headquarters to ensure compliance, to offer advice and to identify options for consolidated procurement.	WFP has developed a dashboard for micro purchase orders oversight, facilitated by the configuration in SmartSourcing for separate competitive and non-competitive micro purchase orders. All micro purchase orders focal points are mandatorily required to sign a "Conflict of Interest" declaration as part of the commitment to undertake the responsibility for the micro purchase order processes. WFP reviews quarterly Micro Purchase Orders Assurance Statements from Global Functions and country offices. Using the dashboard, WFP conducted compliance spot checks, prepared the 2024 Procurement Annual Exception Oversight Report and submitted it to relevant Assistant Executive Directors and Directors in May 2025.	WFP has established a dashboard. Using the dashboard, WFP has conducted compliance spot checks and prepared the Procurement Annual Exception Oversight Report. The External Auditor considers the recommendation to be implemented.	X			
19	WFP/EB.A/2023/6-F/1 chap. C, para 68	Support services	The External Auditor recommends that WFP continue to regularize posts in line with staffing needs and the stipulations of the Staffing Framework.	WFP continues to regularize positions in line with staffing needs and requirements of WFP Staffing Framework. WFP has made significant progress in implementing the Staffing Framework through addressing the proportion of short-term contracts, going from 61 percent in September 2021 to 41 percent at the end of September 2025. However, recognizing the difficulties at this time in converting	WFP has extended the transition period of the Staffing Framework again until the end of 2026. The recommendation remains under implementation.		X		

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				short-term roles to long-term ones, WFP decided to extend the transition period of the Staffing Framework by a year until the end of 2026.					
20	WFP/EB.A/2023/6-F/1 chap. C, para 93	Support services	The External Auditor recommends that WFP review the current IT landscape to identify overlapping capabilities/solutions and to avoid duplications.	Following the rationalization exercise carried over in 2025, the Technology Division conducted a series of clean-ups to address applications identified as duplicates or as modules within broader solutions. The Technical Division will continue to review the corporate landscape within the Enterprise Architecture principles and in alignment with the Target Architecture.	WFP has reviewed its current IT landscape and has already decommissioned and retired a significant number of solutions. The External Auditor encourages WFP to continue with its review and the clean-up. The External Auditor considers the recommendation to be implemented.	X			
21	WFP/EB.A/2023/6-F/1 chap. C, para 94	Support services	The External Auditor recommends that WFP strengthen the authority of the Technology Division regarding the implementation of new IT solutions.	The draft Executive Director Circular on the Accountabilities and Responsibilities of the Chief Information Officer and Information & Technology Function remains with the Leadership Team for decision and the Technical Division continues to support executive management in their deliberations. The Independent Oversight Advisory Committee has requested continued updates on the matter.	The External Auditor notes with concern that the draft Circular has been stuck in the internal consultation process for over a year. The External Auditor urges WFP to strengthen the authority of the Technology Division as soon as possible. The recommendation remains under implementation.		X		
22	WFP/EB.A/2023/6-A/1 sec. 1, chap.C, para 38	Audited Annual Accounts 2022	The External Auditor recommends that WFP ensure a comprehensive data management of all contribution agreements	In March 2026, WFP will begin rolling out a new Contract Lifecycle Management tool, which will serve as the corporate repository for contribution agreements and the	The External Auditor notes that WFP has initiated a new system for the data management of all contribution agreements. WFP expects this process to be finalized		X		

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			including annexes and make them electronically available to all relevant staff.	system through which negotiations will be managed. This system rollout was originally planned for 2025, but was pushed into the first quarter 2026 to accommodate other business priorities and to align with timelines of other significant IT projects.	by the end of 2026. Until the completed rollout, the recommendation is considered to be under implementation.				
23	WFP/EB.A/2023/6-A/1 sec. 1, chap.C, para 53	Audited Annual Accounts 2022	The External Auditor recommends that WFP consider the development of an identifier for contribution payments to automatically match incoming payments with open contributions receivable.	WFP initiated a project to develop an automated identifier to match incoming contribution payments with open contributions receivable, which was originally planned to go live in 2025. However, due to significant operational and change management challenges and competing corporate priorities, the automation component has been deprioritized, and the identifier project is currently on hold indefinitely. In the interim, existing controls and manual reconciliation procedures continue to operate effectively.	WFP has deprioritized the development of the payment identifier and placed the automation work on indefinite hold. The recommendation remains under implementation.		X		
24	WFP/EB.A/2023/6-A/1 sec. 1, chap.C, para 64	Audited Annual Accounts 2022	The External Auditor recommends that WFP change its accounting policy on the expense recognition of food commodities handed over to cooperating partners and record these commodities as inventories and expense	The Executive Director approved a Decision Memorandum on 4 September 2025 formalizing a change in accounting policy for food commodities handed over to cooperating partners, effective 1 January 2026, requiring recognition as inventories and expensing upon distribution. Implementation is being supported through the rollout	WFP released a Decision Memorandum that constitutes the change in WFP's accounting policy on the expense recognition of food commodities handed over to cooperating partners. It pertains to recording food commodities as inventories when held by cooperating partners and expensing them only when		X		

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			them only when distributed to beneficiaries.	of corporate systems for in-kind distributions, now deployed or underway in a significant number of country offices, and through an interim reconciliation process to ensure compliance in 2026. While the policy change has been finalized and implementation is in place, documentary evidence will be available in April 2026.	distributed to beneficiaries. A precondition is the corporate-wide implementation of the Cooperating Partners Stock Management Tool and SCOPE In-Kind which is scheduled for 2026. The External Auditor considers the recommendation to be under implementation.				
25	WFP/EB.A/2023/6-A/1 sec. 1, chap.C, para 87	Audited Annual Accounts 2022	The External Auditor recommends that WFP enhance the disposal process of unused, broken, or outdated tangible assets and perform an analysis to identify the root cause for the high percentage of fully depreciated property, plant, and equipment.	To expedite the disposal of unserviceable or surplus assets, WFP has introduced several tools and initiatives, including the United Nations System Online Auction, and continues to enhance related functionalities to increase disposal volumes. Following the issuance of the Directive on Streamlining Asset Disposal Processes at WFP in May 2025, country offices may conduct auctions up to defined thresholds, supporting timelier disposal. In addition to public auctions, WFP is prioritizing alternative disposal modalities to ensure appropriate disposal of unused, damaged, obsolete, and fully depreciated tangible assets.	WFP has implemented measures to expedite the disposal process. Country offices are now more flexible in conducting their own auctions up to specific thresholds. This enables the Asset Management Team at Global Headquarters to concentrate on auctions with higher volumes. The External Auditor considers the recommendation to be implemented.	X			

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26	WFP/EB.A/2023/6-A/1 sec. 1, chap.C, para 118	Audited Annual Accounts 2022	The External Auditor recommends that WFP conduct a comprehensive cost-benefit analysis of the outsourcing of parts of the payroll process to an external service provider considering the risks involved and the benefits achieved.	The feasibility study and cost-benefit analysis have been completed.	WFP conducted the cost-benefit analysis and plans to manage payroll exclusively in WINGS. As for payroll through UNDP, WFP will need to wait for the results of the UN80 Initiative. The External Auditor considers the recommendation to be implemented.	X			
27	WFP/EB.A/2023/6-A/1 sec. 1, chap.C, para 134	Audited Annual Accounts 2022	The External Auditor recommends that WFP improve the danger pay process in terms of automatization, certification, calculation, and monitoring in the country offices to ensure that danger pay is calculated correctly and only paid for eligible days.	The design and testing of the danger pay disbursement interface between Workday and WINGS will commence after the currently postponed WINGS freeze period. In the meantime, WFP is enhancing payout integrity alongside integration stabilization, with additional monitoring to prevent duplicate or unapproved payments.	The WINGS freeze period is set to end in August 2026. WFP plans to implement a payroll-input interface between Workday and WINGS to automate the calculation and payment of danger pay. The recommendation remains under implementation.		X		
28	WFP/EB.A/2023/6-A/1 sec. 1, chap.C, para 195	Audited Annual Accounts 2022	The External Auditor recommends that WFP automate the process of internal transaction elimination to ensure the completeness of such eliminations, to reduce the risk of manual errors, and to make the process more time efficient.	Controls are not an issue. The automation component has been deprioritized due to funding constraints and is currently on hold indefinitely.	WFP has deprioritized developing an automated process of internal transaction elimination and placed the automation work on indefinite hold. The recommendation remains under implementation.		X		

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29	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 34	Audited Annual Accounts 2023	The External Auditor recommends that WFP improve the reliability of its funding forecast and set clear thresholds when ad hoc supplementary notifications to the Executive Board are required.	WFP has realigned its forecasting calendar with Executive Board sessions to ensure the most up-to-date forecast is available ahead of each session. The Board is systematically informed through the Executive Director's opening remarks and through consultations during the preparation of the Management Plan, for which the forecast is an important planning parameter. As a result, Board members are aware of forecast figures prior to approval, and in-year revisions to the Management Plan are undertaken as needed to reflect updated projections, including during the Management Plan 2025-2027 updates.	The External Auditor takes note of WFP's Decision Memorandum on the revision of the frequency of global forecasts 2025 and WFP's updated forecasting calendar. The Memorandum states that ad-hoc updates to the forecast may be performed should there be exceptional events that could lead to a significant change in the forecast prior to the next scheduled update. The External Auditor urges WFP to make use of ad-hoc updates to the forecast and communicate them to the Executive Board. The External Auditor considers the recommendation to be implemented.	X			
30	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 35	Audited Annual Accounts 2023	The External Auditor recommends that WFP propose to the Executive Board criteria of required Management Plan revisions in case of variances in the funding projections to enable an amendment of the General Rules or Financial Regulations.	The Management Plan 2026-2028 includes a draft decision point defining the Executive Director's authority to adjust the budget in response to changes in the contribution forecast, with revisions required if adjustments fall outside agreed parameters. WFP also proposes to incorporate this decision point into the Financial Regulations for Board approval. Funding forecast variances may trigger revisions to individual Country Strategic Plan implementation plans and, where applicable, Programme Support and	The External Auditor takes note of decision point iv) in WFP's Management Plan 2026-2028 as well as the proposal to include a similar phrasing in the proposed changes to the Financial Regulations, which will be presented for approval at the Executive Board's Annual Session in June 2026. The External Auditor appreciates that WFP is committed to informing the Executive Board of changes in the global funding forecast and revisions to the WFP annual budget resulting from approvals of new country strategic		X		

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				Administrative budgets in line with delegated authority. Otherwise, a Management Plan revision would be submitted. WFP remains committed to keeping the Executive Board informed of forecast changes and resulting budget revisions.	plans and budget revisions. The recommendation remains under implementation.				
31	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 49	Audited Annual Accounts 2023	The External Auditor recommends that WFP in line with Financial Regulation 9.4 provide the Executive Board with one document that compares the proposed budget with the current approved budget and the modified current budget and allows for the approval of the annual WFP budget, for example in an annex to the Management Plan that contains the country strategic plans of all country offices in the approval periods.	The Management Plan 2026–2028 maintained the approach introduced in the Management Plan 2025-2027 by including, in Annex VI.1 (table A.VI.1.3), details of approved Country Strategic Plan budgets and projected operational requirements by country, with total operational requirements reconcilable to Statement V as the original budget. In response to the External Auditor's subsequent request, management also prepared a procedural document setting out the elements to be included on a recurring basis in future Management Plans, including those related to Country Strategic Plan budgets and implementation plans, as described in this recommendation.	Annex VI.1 to the Management Plan 2026-2028 includes a list of all country offices' approved Country Strategic Plan budgets as well as the projected operational requirements, which take into account Country Strategic Plan budgets currently under preparation and planned budget revisions. The sum of the provisional implementation plans corresponds to the WFP budget in table 4.1. Table 4.1 states the previous year's budget amount, the current budget amount as well as the sum of implementation plans. WFP has also captured this set-up in a procedural document. The recommendation is considered to be implemented.	X			
32	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 57	Audited Annual Accounts 2023	The External Auditor recommends that WFP rework the programme support and administrative equalization account related information in	The Management Plan 2026–2028 maintained the approach introduced in the Management Plan 2025-2027 by including, in Table 4.6 and its accompanying endnote, detailed information on the Programme Support and Administrative	WFP has included additional information on the Programme Support and Administrative Equalization Account in the Management Plan. Furthermore, WFP has established a procedural document to outline the	X			

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			the Management Plan, provide to the Executive Board the latest available budgetary actuals, ensure that closing and opening balances are reconciled and provide explanations if assumptions change retrospectively.	Equalization Account, including the projected opening balance for 2026, reconciling the closing balance of the latest audited accounts with budgetary adjustments. Following discussions with Executive Board members, it was agreed that tabular presentation could be confusing. In line with the External Auditor's subsequent request, management therefore prepared a procedural document setting out the elements to be included on a recurring basis in future Management Plans, including those related to the Programme Support and Administrative Equalization Account.	requirements for Programme Support and Administrative Equalization Account presentations in the Management Plan to establish this as a recurrent information and to extend or replace the narrative information by a table. The recommendation is considered to be implemented.				
33	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 68	Audited Annual Accounts 2023	The External Auditor recommends that WFP improve the approval request of its critical corporate initiatives in the Management Plan, present the historical movement of the single initiatives, prior year carry-overs, and expenditures.	The Management Plan 2026–2028 maintained the approach introduced in the Management Plan 2025-2027 by including, in Annex III (table A.III.1), details on critical corporate initiatives, including historical movements of individual initiatives, prior-year carry-overs, and expenditures. In line with the External Auditor's subsequent request, management prepared a procedural document setting out the elements to be included on a recurring basis in future Management Plans, including those related to critical corporate initiatives. Reporting on prior-year results and expenditures, including	WFP has included additional information on critical corporate initiatives in the Management Plan and Annex III to the Management Plan. WFP established a procedural document to outline the requirements for critical corporate initiative presentations in the Management Plan to establish this as a recurrent information. The recommendation is considered to be implemented.	X			

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				end-year balances, will continue to be provided through the Annual Performance Report and its corresponding Annex.					
34	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 69	Audited Annual Accounts 2023	The External Auditor recommends that WFP propose to the Executive Board definitions and criteria when and under which conditions funding can be set aside for critical corporate initiatives. The proposal should enable the Executive Board to execute its governance role and consider an amendment of the General Rules or Financial Regulations.	Management reviewed the budget-related Financial Regulations and proposed amendments to the Executive Board, reflected in Section V of the Management Plan 2026–2028, to address relevant audit recommendations, including this one. Further reviews of Financial Rules and internal guidance will follow as appropriate. The definition and criteria for critical corporate initiatives are planned to be incorporated into a Financial Rule once the proposed amendments are approved. In the interim, the criteria are set out in the Management Plan, defining critical corporate initiatives as one-off, multi-year initiatives not covered by regular funding, not linked to a single project, unlikely to attract sufficient directed donor contributions, and focused on organizational change.	WFP has prepared proposed changes to the Financial Regulations which it will present to the Executive Board for approval at the Annual Session in June 2026. WFP stated that it would then establish the definition and criteria for critical corporate initiatives as a Financial Rule. The recommendation is considered to be under implementation.		X		
35	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 78	Audited Annual Accounts 2023	The External Auditor recommends that WFP update and consolidate its budget related manuals and guidance documents, establish review dates to ensure	Management has updated the budget-related manuals. For the corporate budget preparation process, WFP consolidated guidance within the Financial Management Manual to ensure the corporate budgetary and financial framework	WFP has updated the Financial Management Manual and the Budget and Programming Manual. The Country Strategic Planning Manual, which is part of the Programme Guidance Manual, the "one-stop shop for guidelines,	X			

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			that the documents are kept up to date, and set up a systematic file keeping of the applicable budgetary framework at one place.	is set out in a single location and to remove duplication between manuals. The Financial Management Manual now also references the procedural document specifying the elements to be included in each Management Plan. The Budget and Programming Manual has been updated with a continued focus on operational requirements.	templates and timelines related to Country Strategic Plans" does not refer to either of the budget related manuals yet. The External Auditor urges WFP to link these manuals. Nevertheless, the recommendation is considered to be implemented.				
36	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 80	Audited Annual Accounts 2023	The External Auditor recommends that WFP review budget related definitions and decisions at a level below the General Rules and Financial Regulations for the need to transform these into General Rules or Financial Regulations and make a corresponding proposal to the Executive Board.	WFP conducted a comprehensive review of the budget-related Financial Regulations to identify elements requiring inclusion or update. To refine the proposed amendments, WFP benchmarked practices across other UN entities, including insights from the Joint Inspection Unit review of budgeting, undertook internal consultations to assess operational implications, and engaged with Executive Board members through informal and formal consultations, most recently in January 2026. The proposed amendments were presented in Section V of the Management Plan 2026–2028 and are scheduled for approval at the Executive Board Annual Session in June 2026.	WFP has prepared a proposal for changes to the Financial Regulations which it will present to the Executive Board for approval at the Annual Session in June 2026. The recommendation remains under implementation.		X		

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37	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 87	Audited Annual Accounts 2023	The External Auditor recommends that WFP review and improve the content and format of its Annual Performance Plan, particularly shorten the narratives in favour of tabular presentations of system integrated budget and financial data to better enable the performance measurement and management.	Work initiated under the 2022–2025 critical corporate initiative "Implementation of strategic plan and corporate results framework" was overtaken by organizational restructuring, including the introduction of the Management Accountability Framework and a new two layered accountability model. Under this model, responsibility for country office performance management now rests fully with country directors through their oversight line to the Chief Operating Officer, and the Annual Performance Plan has not been a mandatory corporate requirement for the past two years. No longer a corporate planning tool, WFP will not revise or automate the Annual Performance Plan, pending decisions on the approach to country office planning within the new Framework.	While WFP stated that the Annual Performance Plan was no longer a corporate planning tool, the Annual Planning Manual was updated in January 2026 to say that the Chief Operating Officer still required time to determine the way forward on this exercise until new corporate guidance was issued. The recommendation is not implemented.			X	
38	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 96	Audited Annual Accounts 2023	The External Auditor recommends that WFP review its internal control related questionnaires for overlaps and potential consolidation, complement yes or no questions by objectively calculated key performance indicators and review the software	WFP reviewed the 2025 Letter of Representation and Executive Director's Assurance Exercise questionnaires to eliminate duplication and revised the Letter of Representation accordingly. Both exercises aim to provide a single, consistent response, recognizing that ownership spans the Chief Financial Officer Division and the Risk Management Division. The exercises have been developed	WFP has updated the Letter of Representation and the Executive Director's Assurance Exercise, and eliminated duplications. The Executive Director's Assurance Exercise now contains clear definitions for the response options. WFP has established an underlying model to better automate the analysis of responses. The recommendation is considered to be implemented.	X			

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			tool in terms of user friendliness and cost-benefit of its functionalities.	through Risk and Recommendation system built on Salesforce ensuring both the Chief Financial Officer Division and the Risk Management Division processes leverage the same platform for improved integration and consistency across the risk management lifecycle. The survey incorporates enhancements in the survey structure, the coverage, the objective responses and data-driven inputs.					
39	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 107	Audited Annual Accounts 2023	The External Auditor recommends that WFP consider additional procedures to ensure compliance with its anti-fraud and anti-corruption policy particularly in view of sanctioned vendors and donor requirements.	WFP vets all contractual partners against the United Nations Security Council Consolidated Sanctions List, in accordance with applicable Executive Director circulars, directives, and the Procurement Manual, which establish this list as the sole binding corporate baseline. This approach reflects the United Nations Secretary-General's confirmed position that vetting against national or regional sanctions lists would be neither legally appropriate nor consistent with humanitarian principles. While partners must have the legal capacity to operate in the relevant country, exclusion is based only on the United Nations list. In limited cases, WFP may cooperate with donors to ensure compliance with donor-specific legal obligations, without conducting systematic	WFP did not initiate further procedures to address measures in view of sanctioned vendors and donor requirements. The recommendation remains under implementation.		X		

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				vetting against non-United Nations sanctions lists.					
40	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 117	Audited Annual Accounts 2023	The External Auditor recommends that WFP conduct reviews of post factum cases at headquarters biannually based on a complete list of post factum cases, prepare the final global activities report including analysis and comments, and submit the report to the Deputy Executive Director and Chief Financial Officer for their information and further action, should they deem necessary, on yearly basis.	Further to the previous update on the design and implementation of a specific post factum purchase order type in the smart sourcing solution, this functionality has now been rolled out globally and enables consistent and reliable identification of post factum purchase orders through the gradual transition from the use of dual systems (SmartSourcing and WINGS). For stronger oversight, a Post Factum Purchase Contract Committee is convened in Headquarters once a year to review Global Headquarters Business Unit cases as well as country office post factum cases above USD 50,000.	The External Auditor acknowledges the efforts undertaken by WFP. However, the External Auditor noted post factum purchases during the External Auditor's interim sample check. These cases were not included in WFP's review. Therefore, WFP's basis data for the review of post factum cases is still lacking completeness. The recommendation remains under implementation.		X		
41	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 118	Audited Annual Accounts 2023	The External Auditor recommends that WFP reduce post factum cases in the categories poor planning and internal oversight and ensure that post factum cases are limited to exceptional cases.	Further to the previous update on the design and implementation of a specific post factum purchase order type and workflow in SmartSourcing which captures the categories of post factum justifications, this functionality has been rolled out globally with a gradual transition from the use of dual systems (SmartSourcing and WINGS). This is further strengthened in the workflow by restricting approvals to the Director level, with limited sub-delegation. All post factum	The External Auditor noted one post factum case during the sample check. The External Auditor checked if this case was part of WFP's list of cases and found that this post factum case was not included. Therefore, WFP's basis data for the review of post factum cases is still lacking completeness. The External Auditor holds that it is necessary to identify all post factum cases to maintain an overview and such occurrences. Therefore, the External Auditor		X		

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				purchases are flagged for senior managers reviews and procurement oversight with requirement for adequate supporting documentation.	considers the recommendation to be under implementation.				
42	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 131	Audited Annual Accounts 2023	The External Auditor reiterates its recommendation that WFP ensure that corrections for donor reporting purposes are not recorded in subsequent financial years.	The Accounts Closure Guidelines now clearly state that "any necessary expenditure adjustments should be made within the same reporting period and fiscal year as the original expense." In addition, WFP amended the Country and Regional Office Financial Management Checklists to ensure that all country offices perform the necessary adjustments before the year-end financial close, supporting the accuracy of financial records.	WFP has amended its Accounts Closure Guidelines and Financial Management Checklist. These documents stipulate that any necessary expenditure adjustments should be made within the same reporting period and fiscal year as the original expense. The External Auditor urges WFP to ensure that country offices comply with the guidance. The External Auditor considers the recommendation to be implemented.	X			
43	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 147	Audited Annual Accounts 2023	The External Auditor recommends that WFP expedite and improve the information collection of food commodity losses and ensure that the write-off decision of the Executive Director is available in-time of the preparation of the financial statements as required by Financial Regulation 12.4.	Systems and standardized procedures are in place across country offices to ensure the timely recognition and certification of commodity losses. These processes are embedded within WFP's corporate platforms, including LESS, and aligned with established financial and operational controls. On this basis, WFP considers the audit recommendation to be fully addressed and requests its closure.	The External Auditor found similar cases of late food commodity loss postings and late processing of loss claims in 2025. The External Auditor provided new recommendations for recurring food commodity losses and the self-insurance scheme. The External Auditor considers the recommendation to be overtaken by events.				X

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44	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 148	Audited Annual Accounts 2023	The External Auditor recommends that WFP headquarters in collaboration with the regional bureaux establish additional controls, such as spot checks, to cross-check inventory loss reports and inventory on hand records.	WFP addressed this recommendation through strengthened inventory verification controls embedded across WFP operations. WFP formalized physical inventory count and spot-check procedures, reinforced cross-checking of inventory losses against inventory on hand and system records, and clarified requirements for independent verification. Daily validation, monthly reconciliations, and quarterly and annual independent counts are in place, with discrepancies analysed, documented, and reviewed by country office management. For inventory held by third parties or cooperating partners, WFP mandates physical counts with WFP participation or verified reporting where access is constrained. Global Headquarters conducts periodic oversight to verify compliance and document follow-up actions.	The Logistics Manual stipulates that spot checks in warehousing involve randomly verifying inventory levels in specific locations to ensure accuracy. Spot checks are random and focus on selected items or areas, providing a snapshot of inventory accuracy and help identify discrepancies or errors that require correction. In order to comply with the requirement, WFP provided samples of spot checks conducted. The External Auditor considers the recommendation to be implemented.	X			
45	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 159	Audited Annual Accounts 2023	The External Auditor reiterates the recommendation that WFP improve the accuracy and completeness of accrual submission forms, particularly, WFP should - as a best practice and	WFP enhanced the accuracy and completeness of accruals reporting by amending closure guidance to emphasize accrual quality and reinforcing review procedures. WFP communicated open purchase orders and potential service entry sheet and goods receipt note cut-off items for systematic review,	The amount for unrecorded accruals increased compared to the previous year. Therefore, the recommendation is considered to be under implementation.		X		

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			standard year-end closure activity - request finance units to communicate open purchase orders to the spending units for review if these need to be considered for accrual purposes at year-end.	strengthening controls over period-end reporting and supporting consistent application of the updated guidance.					
46	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 168	Audited Annual Accounts 2023	The External Auditor recommends that WFP monitor deviations between UNORE and market rates (preventive control), disburse education grant only up to actual foreign currency expenses converted into United States dollars based on market rates and issue a respective binding regulation.	WFP regularly monitors deviations between UNORE and market exchange rates. Monthly reports identify currencies under alert based on significant differences between official and parallel rates and inform decisions on when UNORE may not be appropriate for calculating education grant entitlements. The Human Resources Manual was amended, effective 20 November 2025, to provide a legal basis for using an alternative exchange rate where UNORE does not reflect actual market conditions.	WFP publishes a monthly report identifying currencies flagged as hotspots or under alert, which serves as a key reference to determine when it may be appropriate not to use UNORE for calculating employees' benefits. WFP also amended the Human Resources Manual to provide a legal basis for using an alternative exchange rate. The External Auditor considers the recommendation to be implemented.	X			
47	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 193	Audited Annual Accounts 2023	The External Auditor recommends that WFP review its current framework for cooperating partner monitoring in view of harmonized and mandatory risk-based standards considering	The NGO Partnerships Assurance Framework including the minimum measure for performance monitoring is finalized.	WFP has finalized its NGO Partnership Management Assurance Framework which includes a standard on implementation and performance management. The recommendation is considered to be implemented.	X			

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			applied methods in other United Nations entities, for example well received aspects of the HACT framework.						
48	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 194	Audited Annual Accounts 2023	The External Auditor recommends that WFP enhance and harmonize documentation of cooperating partner monitoring.	The NGO Partnerships Assurance Framework was launched in May 2025 and establishes minimum measures for partner performance monitoring, supported by standardized monitoring tools and mandatory internal controls, including partner performance evaluations and risk-informed spot checks. Compliance with the assurance standards is monitored using internal tools such as checklists and key performance indicators, with important elements incorporated into the 2025 Executive Director's Assurance Exercise. Monitoring and reporting will be further strengthened through the digitalization and automation of assurance data via DOTS in 2026, enabling centralized oversight of country office self-reported assurance information.	WFP has included questions relating to Cooperating Partner Management in the 2025 Executive Director's Assurance Exercise. WFP further enhanced cooperating partner monitoring and harmonized documentation through the Country Office Checklist and key performance indicators which report on the NGO Partnership Management Assurance Frameworks minimum measures. The digitalization in DOTS is a useful, additional step towards more harmonized documentation. The External Auditor considers the recommendation to be implemented.	X			
49	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 201	Audited Annual Accounts 2023	The External Auditor recommends that headquarters monitor more closely whether country offices comply with the spot check	Global Headquarters monitors country office compliance with spot-check requirements through multiple data sources, including end-year assurance responses, mid-year assurance key	WFP is in the process of implementing a Spot Check Module in Partner Connect and has established a global tracker to monitor the implementation of planned spot checks. The tracker	X			

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			requirements as per the corporate guidance and support country offices in improving their respective processes.	performance indicators, quarterly tracking tools, continuous reporting through the Partner Connect Spot Check Module, and oversight checklists incorporated into management oversight procedures. WFP periodically triangulates results across these sources, including internal and external audit reports and partnership tracking data, to identify gaps or discrepancies and inform follow-up, supported by risk-informed spot-check guidance.	provides Global Headquarters with an overview of its cooperating partners' risks, the number of planned spot checks, and the number of spot checks conducted. The recommendation is considered to be implemented.				
50	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 208	Audited Annual Accounts 2023	The External Auditor recommends that WFP update and consolidate its guidance on school-based programmes, ensuring that related guidance in various documents is cross-referenced and interlinked to facilitate the implementation of school-based programmes by country offices through all stages of a project cycle.	Cross-references and hyperlinks within the School Meals Guidance in the Programme Guidance Manual have been updated. WFP developed and released the corporate Commodity Voucher Guidance and the Transition Guidance. Both documents will be made accessible through the Programme Guidance Manual under the School Meals section 4.7, Sustainability and Handover (Transition Guidance), and section 5.4, Implementing Cash-based School Feeding (Commodity Voucher Guidance).	WFP has updated its guidance on school-based programmes in the Programme Guidance Manual including cross-references via hyperlinks and added a new guidance on a structured approach to transition from WFP direct implementation to national school meals programmes. The Manual now covers all phases of a school meals programme. The External Auditor considers the recommendation to be implemented.	X			
51	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 213	Audited Annual Accounts 2023	The External Auditor recommends that WFP improve the reconciliation and financial monitoring process of school-based	WFP continues to roll out the digital solution School Connect to country offices and to enhance the tool to strengthen reconciliation and assurance over WFP-operated school meal programmes. School	WFP has already implemented School Connect in 25 countries and plans further roll-out. School Connect allows for real-time data at school level on the delivery of assistance, stock management and	X			

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			transfers by promulgating mandatory minimum requirements and corporate templates to support the reconciliation process, the monitoring and the documentation, considering different implementation scenarios and operational models.	Connect has been endorsed as the standard IT solution for school feeding distribution monitoring and reporting and has been enhanced to support diverse implementation models, including in-kind assistance and cash-based transfers, aligned with government capacities. Rollout targets are consistently met, and School Connect has been prioritized in corporate policies, management plans, and investment frameworks, supporting transparency, visibility at school level, and WFP's broader assurance objectives.	procurement of food commodities. The External Auditor considers the recommendation to be implemented.				
52	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 219	Audited Annual Accounts 2023	The External Auditor reiterates its recommendation that WFP revisit the definition of commodity vouchers, establish an appropriate accounting category, and ensure the correct classification and notes disclosures of different types of commodity vouchers, for example school-based transfers.	WFP has addressed the recommendation by completing and approving the consolidated Commodity Voucher Guidance in November 2025, thereby formalizing and standardizing the framework in line with the recommendation of the External Auditor.	WFP has issued a comprehensive Commodity Voucher Guidance and has updated the related accounting guidance. The clarifications of the accounting category ensures correct classification and disclosure. The External Auditor considers the recommendation to be implemented.	X			
53	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 220	Audited Annual Accounts 2023	The External Auditor recommends that WFP highlight the importance of segregation between transfer costs and transfer value in its	WFP has developed and published corporate Commodity Voucher Guidance, which provides a comprehensive corporate-level guidance that addresses this and other recommendations.	WFP has issued a comprehensive Commodity Voucher Guidance and has updated the related accounting guidance. Both documents contain specific sections regarding transfer value,	X			

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			updated consolidated guidance for school feeding.		transfer costs and their segregation. The External Auditor considers the recommendation to be implemented.				
54	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 237	Audited Annual Accounts 2023	The External Auditor recommends that WFP improve its UN Fleet related budget processes by providing the Executive Board with comprehensive and transparent budget plans and including updates of the cost structure of the operation.	WFP has strengthened governance, financial oversight, and transparency for the UN Fleet within the approved delegation and governance framework of the joint operation with UNHCR. Clear governance arrangements are in place, supported by Executive Director circulars establishing management authority, mandatory use of UN Fleet leasing, and centralized oversight of fleet costs. WFP accounts for its share through an established Special Account under existing Financial Regulations, with defined approval controls and full disclosure in audited financial statements. These arrangements provide accountability, auditability, and transparency, and the recommendation is therefore proposed for closure.	WFP has reinforced governance and financial oversight of the UN Fleet joint operation. Executive Director's circulars formalize governance bodies, clarify delegated authority, and centralize financial controls. WFP has established a Special Account, compliant with Financial Regulation V. The Management Plan 2026-2028 (Annex V) presents projected 2026 expenditures. Strong governance and transparency are in place. The External Auditor considers the recommendation to be overtaken by events.				X
55	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 252	Audited Annual Accounts 2023	The External Auditor recommends that WFP establish a one-stop shop for all delegation of authority documents and guidance, streamline the set-up of	In preparation for the new two-layer organizational structure, WFP created an Excel-based repository of delegations of authority in 2025, identifying all delegation of authority instruments requiring updates to align with the new	WFP has taken stock of the delegation of authority instruments but is still working on a comprehensive repository. The recommendation remains under implementation.		X		

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			delegation of authority to the best possible extent, and align accountabilities with the set-up.	structure. Several instruments were revised in late 2025, and the remaining changes were consolidated in a framework circular issued in early 2026 to ensure operational continuity. WFP will use this repository to continue developing a comprehensive delegation of authority repository while working with the Technology Division to explore digital solutions. A delegation of authority coordinator has been identified to head up the workstream as of early 2026.					
56	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 257	Audited Annual Accounts 2023	The External Auditor recommends that WFP consider a digital solution for sub-delegating authorities instead of issuing memoranda to ensure transparency and clarity, and delegate additional authorities only for a limited period of time.	Building on the work that has been carried out as well as existing tools, WFP is engaging with the Technical Division to map out the technological requirements for a possible digital solution in support of its delegation of authority frameworks. This solution would also consider validity periods of the outlined authorities. This ties in with the strengthened focus on delegation of authority in 2026.	WFP is still in the process of reviewing the technical requirements for a digital solution taking into consideration existing tools. The recommendation remains under implementation.		X		
57	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 264	Audited Annual Accounts 2023	The External Auditor recommends that WFP base fees and entitlements on a proper legal basis approved at the right level.	In the audited annual accounts 2023, WFP disagreed with this recommendation. However, WFP stated that it was willing to review and, if needed, more explicitly confirm the delegation of authority and level. WFP reviewed and, while	WFP has decided that the Directors of Human Resources and Management Services will continue to determine the fees and entitlements. The Executive Director has explicitly delegated the authority for consultant fees to	X			

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				already existing, reinforced the delegation of authority for establishing consultant remuneration brackets through a new Executive Director Decision Memorandum. The remuneration brackets are established in the Human Resources Manual, the instrument formally designated as WFP's regulatory framework and policy on Human Resources-related matters. Regarding the monthly subsistence living sum, a previous Executive Director Decision Memo had already explicitly delegated authority which was appropriately sub-delegated.	the Director of Human Resources. The External Auditor considers the recommendation to be implemented.				
58	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 278	Audited Annual Accounts 2023	The External Auditor recommends that WFP link the workflows for the delegation of financial authority and the respective WINGS roles and ensure that only staff members with the required authorities are granted the WINGS roles.	Owing to the WINGS upgrade, all system development activities have been paused until August 2026. In parallel, WFP's transition to ServiceNow as its new service management tool has constrained progress on system integrations. Notwithstanding these challenges, WFP has advanced the assignment of certifying roles in COUPA, subject to the availability of certifying officer assignments in the Delegation of Financial Authority Dashboard, in line with the standard operating procedure issued in 2025. As a result, the dashboard is now being used for oversight purposes, representing an initial but positive	WFP now requests checks between COUPA and the Delegation of Financial Authority Dashboard. The External Auditor advises WFP to pursue automated solutions, rather than relying on manual controls. The recommendation remains under implementation.		X		

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				step toward implementation of the recommendation.					
59	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 284	Audited Annual Accounts 2023	The External Auditor recommends that WFP establish monitoring and reporting processes and procedures with performance indicators for the exercise of delegated authority.	Following the implementation of the new two-layered organizational structure, which resulted in significant changes to the previous regional bureaux structure and a greater functional accountability, WFP is reviewing its overall management of delegation of authority to ensure that they are up-to-date and easy to locate. As part of this work, WFP will also continue its work to strengthen monitoring and reporting on delegated authorities noting that the standard control checklist template used for Management Oversight Missions already includes guidance for Global Headquarters Functions to consider delegation of authority as part of their mandatory control measures within relevant process areas.	WFP is still defining monitoring and reporting processes for the exercise of delegated authorities. WFP should also consider further instruments and processes besides oversight checklists. The External Auditor considers the recommendation to be under implementation.		X		
60	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 296	Audited Annual Accounts 2023	The External Auditor recommends that WFP analyse the reasons for the high number of reappointed consultants and use the results for its workforce planning.	While the use of consultants was typically factored into operational workforce planning and organizational alignments, WFP has now conducted a detailed analysis on the reasons for which short-term employees, including consultants, are reappointed. This follows a revision in early 2025 to the consultant appointment request form whereby hiring offices are	WFP has analysed the use of consultants and has used the results for its workforce planning. The External Auditor considers this recommendation to be implemented.	X			

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				required to specify the reason and justification for reappointment. This analysis will further support corporate workforce planning processes.					
61	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 301	Audited Annual Accounts 2023	The External Auditor recommends that WFP reduce the engagement of United Nations pensioners as consultants and comply with the limits for such engagement.	WFP has reminded all office directors and human resources focal points globally of the rules governing the engagement of United Nations pensioners and updated the consultant request form to include a similar reminder and require enhanced justifications for the engagement of United Nations pensioners. In agreement with External Audit in February 2025, WFP has conducted an analysis to identify the change impact with respect to the engagement of United Nations pensioners from 2024 to 2025. The results show a decrease in engagement and greater compliance with limits.	The External Auditor urges WFP not to pay more than USD 22,000 to United Nations pensioners engaged as consultants. Since WFP has reduced the engagement of United Nations pensioners, the External Auditor considers the recommendation to be implemented.	X			
62	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 321	Audited Annual Accounts 2023	The External Auditor recommends that WFP update the Executive Director's circular (OED2020/015) for the waiver process to ensure that procurement staff members decide on the appropriate market approach; and include	The Executive Director Circular on Delegation of Authority has been updated (OED2025/011) with provisions for operations at a higher, strategic level and with that, the waiver process is instead addressed in the Goods and Services Manual, which provides the detailed steps and requirements for requesting and approving waivers.	The Procurement Manual outlines the waivers process and clarifies the respective roles of requesting units and procurement staff. The External Auditor notes that the new Circular does not supersede the 2020 Circular for waivers with conflicting stipulations but explicitly refers to it. The External Auditor urges WFP to update or	X			

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			information about the waiver categories and the required documents either in the circular or the goods and services procurement manual.	The Goods and Services Manual is being updated, and it clarifies the respective roles of the requesting units and procurement staff.	abolish the 2020 Circular to avoid conflicting stipulations. The recommendation is considered to be implemented.				
63	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 327	Audited Annual Accounts 2023	The External Auditor recommends that WFP ensure that negotiations as part of a competitive procurement action take place before the award decision in accordance with the stipulation of the goods and services procurement manual.	The Procurement Manual outlines negotiation procedures and principles. It clarifies that negotiations, in competitive procurement scenarios, may be deemed necessary following finalization of the evaluation, by a designated negotiation team, and with the approval of the Procurement Authority, but prior to formal award of a contract. Guidance on exceptional post award negotiations on Terms and Conditions will be provided in the final updated Procurement Manual. Oversight procedures that review aspects in negotiations are in place. The procurement oversight checklist includes a specific question that reviews whether tenders are processed in compliance with procurement principles of competition, transparency, and fairness.	WFP stated that it would update the Procurement Manual to include exceptional post award negotiations. WFP has reminded all procurement employees of the stipulations for negotiations. Furthermore, the oversight checklist includes a question on competitive, transparent and fair tendering. The recommendation is considered to be implemented.	X			
64	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 333	Audited Annual Accounts 2023	The External Auditor recommends that WFP headquarters determine best practices of	WFP regularly reviews the Procurement Manual and clarifications on the best practices for evaluation criteria including	WFP stated that it would include best practices and templates in the Procurement Manual. Since WFP has shared sample templates with	X			

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			evaluation criteria for consultancy services and share them with country offices and regional bureaux.	templates will be reflected in the ongoing updating of the Goods & Services Procurement Manual.	all procurement staff via email, the External Auditor considers the recommendation to be implemented.				
65	WFP/EB.A/2024/6-A/1 sec. 1, chap.C, para 338	Audited Annual Accounts 2023	The External Auditor recommends that WFP review the use of information technology consultancy services in order to improve the processes and to avoid dependencies on contracted personnel and elaborate corrective measures.	The Technology Division implemented a dedicated tool in ServiceNow to track IT vendors, monitoring usage trends, identifying over-reliance and ensuring alignment with strategic goals. WFP is also reviewing the use of long-term agreements for hiring developers and preparing to publish guidelines on WFPgo to promote best practices in the hiring and management of IT consultancy services. This will include recommendations to improve sourcing practices such as encouraging secondary bidding competitions within long-term agreements pools for ongoing projects and implementing mechanisms to support the smooth transfer of application knowledge to new suppliers. These measures aim to ensure business continuity and reduce onboarding friction.	WFP has implemented a tool to track consultancy services and is reviewing the long-term agreements. WFP is also working on guidelines and best practices for hiring consultancy services. The recommendation remains under implementation.		X		
66	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 53	Audited Annual Accounts 2024	The External Auditor recommends that WFP disclose the main components of staff cost and the main drivers of	WFP disclosed the main components of staff costs and the main drivers of staff cost variances in the notes to the financial statement and provided the	WFP has included a table in the notes to the financial statements that discloses the main components of staff costs and shows the main drivers of staff	X			

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			staff cost variances in the notes to the financial statements, and provide the External Auditor with its plausibility analysis of staff cost variances.	External Auditor with a plausibility analysis of staff cost variances, thereby enhancing transparency and supporting the review of year-on-year movements.	cost variances. WFP has provided the External Auditor with its plausibility analysis of staff cost variances. The External Auditor considers the recommendation to be implemented.				
67	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 60	Audited Annual Accounts 2024	The External Auditor recommends that WFP disclose information on food commodities and cash-based transfers distributed by cooperating partners in the notes to the financial statements.	WFP disclosed food commodities and cash-based transfers distributed by cooperating partners in the notes to the 2025 Financial Statements.	WFP has included information on cash-based transfers distributed by cooperating partners in note 4.1 to the financial statements. WFP has further included information on commodities distributed through cooperating partners in note 4.2 to the financial statements. The recommendation is considered to be implemented.	X			
68	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 68	Audited Annual Accounts 2024	The External Auditor recommends that WFP formulate clear and mandatory accounting guidance for recording cooperating partner expenses by defining cooperating partners and detailing which expense account to use, and enhance the disclosure of cooperating partner expenses in the financial statements by providing more information on the activities carried out.	WFP aligned the cooperating partner definition and accounts, issued comprehensive accounting guidance, updated the Financial Management Manual, and enhanced disclosures in the 2025 Financial Statements.	WFP has established accounting guidance for recording cooperating partner expenses, included a definition of cooperating partners in the Financial Management Manual, and included further information on cooperating partner expenses in note 4.3 to the 2025 Financial Statements. The recommendation is considered to be implemented.	X			

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69	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 75	Audited Annual Accounts 2024	The External Auditor recommends that WFP review its accounting policy for non-food item inventories and ensure that items of material value which WFP distributes to beneficiaries under its programme activities are expensed in an appropriate expense category other than supplies and consumables.	WFP reviewed its accounting policy for non-food item inventories, confirmed the appropriate expense treatment for items distributed to beneficiaries, updated related guidance, and enhanced financial statement disclosures to better explain the nature and classification of non-food item distribution costs.	WFP has reviewed its accounting policy for non-food item inventories. To ensure full transparency, WFP disaggregated such items into a separate cost line named "Supplies and consumables for beneficiaries" in the note 4.6 to the Statement II, distinguishing them clearly from supplies and consumables for WFP's own use. The External Auditor considers the recommendation to be implemented.	X			
70	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 81	Audited Annual Accounts 2024	The External Auditor recommends that WFP provide payment due dates in WINGS and disclose the ageing of contributions receivable based on due dates instead of the contributions' year in the financial statements.	WFP has initiated work to address the recommendation through a risk-based review of contribution ageing information in the context of ongoing system changes, including the transition to SAP S/4HANA (SAP Business Suite for SAP High-Performance Analytic Appliance). This work includes examining how payment timing and terms are captured in systems and processes, with attention to factors affecting collection risk, and undertaking a cross-functional review of how different payment conditions are represented from a risk management perspective. In parallel, WFP is assessing the feasibility of revising financial statement disclosures to present	WFP is assessing how to integrate the information on payment due dates in its system upgrades. The recommendation is considered to be under implementation.		X		

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				ageing based on due dates rather than contribution year, taking into account system constraints, data reliability, and IPSAS requirements, while continuing engagement with the External Auditor.					
71	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 90	Audited Annual Accounts 2024	The External Auditor recommends that WFP establish the option in WINGS to extract data for its cooperating partners separately for each partner, partner agreement, including budget and actual amounts. The data extract should facilitate improved reporting and disclosures in the financial statements, and the oversight over partner implementation rates.	A customized report drawing on WINGS and COMET was developed for partner-level data extraction and presented to the External Auditor by 31 December 2025.	WFP has developed a report in WINGS that displays cooperating partner expenses across General Ledger accounts and includes information on agreement number, budgeted amounts, purchase orders and cooperating partner. The recommendation is considered to be implemented.	X			
72	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 98	Audited Annual Accounts 2024	The External Auditor recommends that WFP perform a comprehensive cost-benefit-analysis on how to establish an information technology-based payroll process free of media breaks.	Feasibility study and cost-benefit analysis completed.	WFP conducted the cost-benefit analysis and plans to manage payroll exclusively in WINGS. As for payroll through UNDP, WFP will need to wait for the results of the UN80 Initiative. The External Auditor considers the recommendation to be implemented.	X			

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73	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 109	Audited Annual Accounts 2024	The External Auditor recommends that WFP limit offline recording and calculation of danger pay and automate the disbursement of danger pay to staff members payrolled through WINGS.	Computation and certification have already been fully automated in Workday. Corporate-level disbursement for WINGS population is being addressed. WFP is designing the payroll-input interface to enable Workday results to flow into the monthly SAP and WINGS cycle. Design and testing are scheduled to commence following the upcoming WINGS freeze period.	The WINGS freeze period is set to end in August 2026. WFP plans to implement a payroll-input interface between Workday and WINGS to automate the payment of danger pay. The recommendation remains under implementation.		X		
74	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 116	Audited Annual Accounts 2024	The External Auditor recommends that WFP limit the use of vendor accounts for manual payments to staff members and establish additional controls in such cases.	Guidance on cash-based transfer distributions through operational advances to WFP staff is being updated. Regarding proceeds from sales of personal vehicles, WFP reminded the country office concerned of the need to adhere to the conditions and thresholds outlined in section IV.2 of the Human Resources Manual. System controls over manual overrides of foreign exchange rates will be possible after the upgrade of WINGS. In the interim, manual controls have been implemented.	WFP is working on several manual control measures, such as clear stipulations in the cash-based transfer guidance. WFP is also considering automatic controls over manual overrides of foreign exchange rates after upgrading WINGS. The recommendation remains under implementation.		X		
75	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 128	Audited Annual Accounts 2024	The External Auditor recommends that WFP intensify its oversight over food suppliers to ensure that food commodities delivered meet the requested quality standards, and	WFP strengthened oversight of food suppliers through enhanced product specifications, packaging standards, inspection procedures, and downstream quality controls to ensure commodities meet required quality standards. Building on lessons learned from the inventory	WFP has specified technical requirements and inspection procedures and has communicated them to the food suppliers. The External Auditor considers the recommendation to be implemented.	X			

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			particularly review the Global Commodity Management Facility processes to ensure utilization of the commodities in due time before best before dates are reached to avoid food losses.	surplus issue, WFP has taken measures to reduce the risk of recurrence, including closer monitoring of inventory at risk, reinforcement of the First Expiring, First Out principle for sales under the Global Commodity Management Facility, reduced procurement from origins subject to donor or acceptability constraints, and a revised strategy for managing the corporate inventory of specialized nutritious foods.					
76	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 134	Audited Annual Accounts 2024	The External Auditor recommends that WFP establish policy and guidance on the accounting treatment of "software as a service" and review costs related to Workday implementation for potential IPSAS capitalization requirements.	WFP established and finalized the accounting policy for software as a service, updated the related guidance, and communicated the changes through an email from the Chief Financial Officer. WFP also reviewed Workday implementation costs against IPSAS requirements and confirmed the appropriate capitalization treatment in line with the approved policy.	WFP established policy and guidance on the accounting treatment of "software as a service". WFP has reviewed costs incurred during 2025 related to the Workday implementation in order to capitalize any development costs associated with customization activities in accordance with the new accounting policy. The recommendation is considered to be implemented.	X			
77	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 141	Audited Annual Accounts 2024	The External Auditor recommends that WFP comply with its regulations not to pre-finance on-demand service provision of food procurement without waivers for advance payments supported by	The corporate requirement for advance payments in on-demand service provision has been fully addressed through Executive Director's Circular OED2023/006 and the Guidance Note on Food Procurement Service Provision in the Country Portfolio Budget Framework. The updated Guidance	WFP stated that it addressed the requirements for advance payments in on-demand service provision in an Executive Director's Circular. This Circular had already been in place at the time of the case discussed. The Guidance Note on Food Procurement Service Provision in the Country Portfolio		X		

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			adequate risk assessments to avoid additional costs and food losses.	strengthens and clarifies procedures on advance payments, including the conditions and process for granting waivers, supported by documented risk assessments, and authorizes the Director of the Supply Chain and Delivery Division and the Chief Financial Officer to approve such waivers. WFP has issued, disseminated, and enforced these provisions, ensuring consistent application across all operations, in line with the recommendation of External Audit.	Budget Framework reiterates the Circular and does not stipulate additional guidance or rules for waivers of advance payments. The recommendation is considered to be under implementation.				
78	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 147	Audited Annual Accounts 2024	The External Auditor recommends that WFP pursue its participation in UN Fleet as intended or otherwise adjust its cost-benefit analysis and reconsider its financial engagement.	Following agreement with the recommendation, WFP completed the transition of all new vehicle leasing to UN Fleet starting in 2026. The supporting project was implemented in 2025 and included system adjustments, alignment of internal procedures, and completion of operational, financial, and change-management arrangements. As a result, UN Fleet began providing leasing services to WFP country offices in January 2026, and all new vehicle leases are now sourced exclusively through this modality. The revised service structure has been formalized through an Executive Director Circular, and WFP considers the recommendation fully implemented.	According to the Executive Director's Circular OED2026/005, dated 26 January 2026, it is compulsory for all WFP offices to meet their light and armoured vehicle requirements through UN Fleet. WFP Fleet Centre will no longer provide new leasing services. The External Auditor considers the recommendation to be implemented.	X			

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79	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 156	Audited Annual Accounts 2024	The External Auditor recommends that WFP review and amend its default financial risk areas and risk types in its risk register guidance and template using country offices' feedback available from their risk registers, the Executive Director's assurance exercise and the Global Assurance Project.	The Risk Management Division analysed the 2025 country office risk registers, the 2024 Executive Director's Assurance Exercise and lessons from the Global Assurance Project. The analysis shows that financial risks are consistently identified across multiple risk areas, reflecting complex exposures. The Executive Director's Assurance Exercise and the Global Assurance Project further highlight persistent challenges in financial oversight, including inconsistent risk assessments, capacity constraints, and gaps in digital integration. Following consultations, the Risk Management Division and the Chief Financial Officer agreed to add five new financial sub-risks, including money laundering and terrorism financing, bringing financial risks to 9 of 97 catalogue entries. This will be reinforced through webinars planned for early 2026.	WFP has analysed country office risk registers as well as available feedback from country offices. WFP has extended the country office risk catalogue, updated the risk register template and the toolkit for risk register preparation. The External Auditor considers the recommendation to be implemented.	X			
80	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 171	Audited Annual Accounts 2024	The External Auditor recommends that WFP stop paying termination indemnities which are not provided for in the FAO Staff Regulations and Rules on an ex-gratia basis.	As envisaged, the Special Measures as a large-scale organizational initiative, for which ex-gratia payments were being used, were discontinued at the end of 2025. Correspondingly, core elements of the Special Measures are currently being incorporated into WFP's established regulatory framework, and in accordance with the FAO	WFP continued to pay termination indemnities on an ex-gratia basis in 2025. WFP has developed a draft revision, which was cleared by the Legal Office and is now undergoing final consultations with senior management. The External Auditor considers the recommendation to be under implementation.		X		

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				Staff Regulations and Rules. In this regard, a draft revision has been developed, is cleared by Legal and now undergoing final consultations with senior management. The changes are expected to be incorporated in the coming month.					
81	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 172	Audited Annual Accounts 2024	The External Auditor recommends that WFP stop using the ex-gratia mechanism for payments to a projected number of staff without a legal basis while it intends to establish a rule in line with the FAO Staff Regulations and Rules.	As envisaged, the Special Measures, for which ex gratia payments were used, were discontinued at the end of 2025. Core elements of the Special Measures are being incorporated into WFP's established regulatory framework, in accordance with the FAO Staff Regulations and Rules. A draft revision has been developed, cleared through internal review, and is undergoing final consultations with senior management. The changes are expected to be incorporated in the coming month.	WFP continued to pay termination indemnities on an ex-gratia basis in 2025. WFP has developed a draft revision, which was cleared by the Legal Office and is now undergoing final consultations with senior management. The External Auditor considers the recommendation to be under implementation.		X		
82	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 182	Audited Annual Accounts 2024	The External Auditor recommends that WFP manage its human resources in line with the FAO Staff Regulations and Rules and take action to safeguard the financial interests of the organization.	Core elements of the Special Measures are being incorporated into WFP's established regulatory framework in line with the FAO Staff Regulations and Rules. A draft revision has been developed, cleared by Legal, and is undergoing final consultations with senior management prior to incorporation. In parallel, work continues to revise the disciplinary framework to clarify criteria for suspension with or	WFP is still working on implementing this recommendation. The External Auditor reminds WFP that it should establish special rules - in agreement with the Secretary-General and the FAO Director-General - for staff-related measures that exceed the FAO Staff Regulations and Rules. The recommendation remains under implementation.		X		

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				without pay. Pending finalization, WFP has applied a more risk-based approach, including increased use of suspension without pay in cases involving serious allegations such as corruption, fraud, or sexual misconduct.					
83	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 192	Audited Annual Accounts 2024	The External Auditor recommends that WFP comply with its WFP Human Resources Manual and do not pay special leave with full pay after the maximum period of 12 months to unassigned staff members.	The management of unassigned staff reaching the maximum duration of special leave with full pay was strengthened to ensure more timely action and, where relevant, more consistent documentation. The Human Resources Division has revised its internal workflows and supporting materials related to separating unassigned staff members in an appropriate manner. An updated policy is in place with a reduced special leave with full pay period (up to a maximum of 6 months instead of 12, provided they have had the opportunity to participate and be considered in an annual reassignment exercise) and an option to be offered a termination on agreed terms in lieu of the 6-month period.	WFP has reduced the maximum period of 12 months for unassigned staff members to 6 months. Furthermore, WFP provided justifications for cases which exceeded the maximum period. The External Auditor urges WFP to ensure that career conversations are initiated in due time. The External Auditor considers the recommendation to be implemented.	X			
84	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 194	Audited Annual Accounts 2024	The External Auditor recommends that WFP analyse how it can enhance the reassignment process	Consultations with other organizations were carried out and new measures were implemented to enhance the reassignment process. To reduce costs, the policy was	WFP has started to review its reassignment process and consulted other UN agencies. Among other measures, WFP has introduced a new categorization of		X		

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			and reduce the costs, also by reviewing how other United Nations agencies regulate the reassignment process.	updated to reduce the special leave with full pay period for unassigned staff from 12 to 6 months, and provide an option for termination on agreed terms in lieu of the reduced period. Given that other organizations' policies are also evolving in the current global context, a more comprehensive UN consultation on the reassignment policy is planned for 2026. The Human Resources Division is currently engaged in an Internal Audit exercise which will help provide benchmarking on reassignment.	positions. WFP plans to continue to enhance the process. The recommendation remains under implementation.				
85	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 202	Audited Annual Accounts 2024	The External Auditor recommends that WFP establish mechanisms that staff members take their annual leave in due time and reduce the costs of unused annual leave paid out.	On 17 November 2025, all staff members worldwide were reminded by email to plan and use their leave entitlements. The message clarified the applicable rules governing leave entitlements. In parallel, WFP is rolling out system-driven reminders in Workday to prompt staff members and supervisors about outstanding annual leave balances at several points during the year, complemented by global email reminders. WFP will also conduct a trend analysis on unused leave and related payouts to monitor impact and refine the approach ahead of the July 2026 target.	WFP has reminded its staff members to take the annual leave and is working on system enhancements. WFP should also review outliers and negative correlations with telecommuting days. The recommendation remains under implementation.		X		

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86	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 208	Audited Annual Accounts 2024	The External Auditor recommends that WFP task unassigned staff members especially at director level who are receiving full salary at least with temporary duty assignments for the benefit of WFP.	WFP introduced a global temporary assignment initiative to deploy unassigned staff on corporate funding to priorities and to facilitate redeployment following reassignment exercises. Unassigned staff are identified and matched to temporary needs through managers and staffing coordinators, and are expected to undertake such assignments when identified. Managers and staffing coordinators are reminded to review the pool of unassigned staff before pursuing other temporary solutions, and recruitment pause waiver requests are reviewed to ensure this has been considered. These efforts are supported by system enhancements, including a dedicated dashboard providing improved visibility of unassigned staff status, availability, and applications.	WFP has implemented measures to task unassigned staff members. The External Auditor considers this recommendation to be implemented.	X			
87	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 212	Audited Annual Accounts 2024	The External Auditor recommends that WFP ensure that Country Directors and Deputy Country Directors complete their assignment cycle.	While WFP considered that, except for exceptional cases, country directors and deputy country directors generally completed their assignment cycles, it nevertheless reviewed recent early reassignments and confirmed that the limited number of cases were supported by compelling reasons. Any early reassignment is subject to a structured governance process,	WFP reviewed the reasons for early reassignments. In several cases, WFP stated that it had to reassign directors because it did not have qualified applicants for the new positions. This resulted in an early change of leadership in their previous country offices. The External Auditor holds that this indicates a deficit in talent management and succession		X		

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				including a waiver request, lower prioritization, review by the Staffing Committee, and approval by the Executive Director. Compliance and visibility are supported through reassignment dashboards that clearly flag applicants not due for reassignment. On this basis, WFP considers the recommendation closed.	planning. Therefore, the recommendation remains under implementation.				
88	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 219	Audited Annual Accounts 2024	The External Auditor recommends that WFP analyse under which requirements a position may exceptionally be non-rotational, re-define the criteria for establishing non-rotational positions and resume a regular review of non-rotational positions.	WFP continues to review its non-rotational policy. Consultations with relevant stakeholders to better understand how the current criteria for rotational and non-rotational positions are applied across different functions and teams have taken place. Insights from these consultations have informed a draft proposal, which is being presented to human resources management in early 2026. Subject to their guidance, the drafting of the revised policy is expected to commence in the first quarter of 2026 with finalization in the second quarter of 2026.	WFP is still in the process of reviewing its approach to rotational and non-rotational positions. The recommendation remains under implementation.		X		
89	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 225	Audited Annual Accounts 2024	The External Auditor recommends that WFP review the functional areas and workload of staffing coordinators and the advantages and disadvantages of having	The role and scope of staffing coordinators across the various functions was assessed as part of a broader Human Resources Operating Model review initiative, aimed at evaluating current practices and identifying	WFP has reviewed the set-up and how to involve the Human Resources Division more. However, the set-up at functional areas and the workload of staffing coordinators were not considered		X		

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			functional staffing coordinators separate from the Human Resources Division.	opportunities for improvement. The review produced recommendations and one that includes the notion of embedding Human Resources Business Partners into functions, with due consideration to scope and seniority level, where they can take on the role and support staffing coordination. The recommendations are to be finalized and implemented as part of the broader WFP functionalization efforts.	in the review. The recommendation remains under implementation.				
90	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 238	Audited Annual Accounts 2024	The External Auditor recommends that WFP set up clear responsibilities at headquarters for the collaboration with government entities.	WFP is in the process of determining the necessary approval process for clarifying the roles and responsibilities within the Programme Operations Department when implementing direct assistance programmes through government systems.	WFP decided to place non-governmental cooperating partners and governmental cooperating partners under the purview of the Programme Operations Department. WFP is still in the process of clarifying roles and responsibilities. The recommendation remains under implementation.		X		
91	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 239	Audited Annual Accounts 2024	The External Auditor recommends that WFP amend its current guidance for the collaboration with government entities by including strategic, procedural and oversight guidance, risk assessment, reporting and monitoring requirements, budget	Two experienced international professionals (P4 and P3) have been reassigned for the management of government partnerships. The incumbents will lead the design of the government cooperation partnership framework.	WFP is developing its framework for the collaboration with governmental cooperating partners. WFP has been working on the template for agreements with governmental cooperating partners for many years. The External Auditor urges WFP to prioritize the finalization of this template. The recommendation remains under implementation.		X		

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			and agreement templates, and management fees.						
92	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 245	Audited Annual Accounts 2024	The External Auditor recommends that WFP ensure that country offices operationalize selection criteria and adhere to the criteria when selecting cooperating partners.	The Supply Chain and Delivery Division will review the current interagency partner selection criteria to identify possible enhancements and to clarify the justified use of "Other" as an exception in specific cases. Following this review, the NGO Partnerships Guidance will be updated to ensure adherence to the criteria when selecting cooperating partners.	WFP is still in the process of identifying possible enhancements. The recommendation remains under implementation.		X		
93	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 251	Audited Annual Accounts 2024	The External Auditor recommends that WFP analyse the current procedures used by country offices to establish cooperating partner rosters, implement a clear process to ensure a standardized and transparent selection process and enhance its oversight.	The analysis of current procedures used by country offices to establish cooperating partner rosters was concluded in February 2026. Based on the findings, guidance to ensure a standardized and transparent selection process has been updated and made available in the Programme Guidance Manual.	WFP has reviewed the current practices of country offices. It updated its NGO Partnerships Guidance in February 2026. With this update, WFP has discontinued roster-based selection as a corporate practice. The recommendation is considered to be implemented.	X			
94	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 256	Audited Annual Accounts 2024	The External Auditor recommends that WFP use the United Nations Partner Portal for oversight by analysing the data on a regular	WFP is advancing efforts to strengthen oversight of United Nations Partner Portal use. The Supply Chain and Delivery Division in collaboration with the Technology Division, is working to enhance data	WFP has outlined how it will improve the United Nations Partner Portal and the related database. However, the External Auditor reiterates that WFP should also analyse the existing United		X		

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			basis to detect inconsistencies or non-compliance with the policy framework, and arrange for corrections and data cleansing.	integration and reporting capabilities including vendor input, partner updates and data integration into DOTs. These steps will enhance WFP's ability to monitor the Portal's use, detect non-compliance, and support regular data cleansing, reinforcing transparency and accountability in non-governmental organizations partnerships.	Nations Partner Portal data on a regular basis for oversight purposes. The recommendation is considered to be under implementation.				
95	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 263	Audited Annual Accounts 2024	The External Auditor recommends that WFP clarify - in its policy - the conditions under which country offices may extend field level agreements, may amend field level agreements or have to issue a new call for expression of interest; these conditions should include a maximum allowable duration and a maximum budget increase.	A guidance note on field level agreements, specifying the conditions under which country offices may extend, amend or call for a new expression of interest, has been completed, approved and integrated to the NGO Partnerships Guidance under the Programme Guidance Manual.	WFP has updated the NGO Partnerships Guidance and clarified under which conditions country offices may extend or amend the agreement or issue a new call for a new expression of interest. The External Auditor considers the recommendation to be implemented.	X			
96	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 270	Audited Annual Accounts 2024	The External Auditor recommends that WFP provide further guidance and tools for risk identification and assessment to country offices and develop a	WFP is addressing the audit recommendation through a sequenced but strategic modernization of its Cooperating Partners Risk Framework, anchored in clear guidance, harmonized tools, and digital integration. This includes	The External Auditor appreciates WFP's progress in enhancing its Risk Assessment Framework, the Spot Check, and the Capacity Assessment and Performance Evaluation module in Partner Connect. Since the rollout of		X		

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			repository to collect, store and monitor risks related to cooperating partners.	the Risk Assessment Tool, the Capacity Assessment Tool, the risk-informed spot check guidance, the Partner Performance Evaluation Tool and the spot check module in Partner Connect, this module was communicated to country offices through webinars.	Partner Connect has not been finalized and the coverage of country office is not yet sufficient, the recommendation remains under implementation.				
97	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 283	Audited Annual Accounts 2024	The External Auditor recommends that WFP ensure that country offices comply with the normative framework and implement recommendations through effective oversight, and enforce accountability.	WFP developed and issued detailed normative guidance delineating responsibilities for management oversight and follow-up actions at both Global Headquarters and country office levels through the updating of the Management Oversight Framework. WFP will revise the terms of reference and "Compact" agreement templates for country directors and regional directors to reflect clarified accountabilities, performance expectations, and oversight responsibilities aligned with the updated Management Oversight Framework.	WFP has clarified responsibilities and accountability in the Management Accountability Framework and in the Management Oversight Framework. WFP plans to enforce accountability of country directors through revised terms of reference and "Compact" agreements. The recommendation remains under implementation.		X		
98	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 289	Audited Annual Accounts 2024	The External Auditor recommends that WFP analyse the dependencies on governmental entities which country offices identified in their assurance action plans to determine mitigation	WFP is committed to safeguarding its operational independence in line with the humanitarian principles and has taken concrete actions to strengthen its ability to identify, assess and mitigate related risks, including those arising from government engagements. WFP has adopted adaptive tools, guidance	WFP analysed the 2024 Executive Director's Assurance questionnaire and concluded: "Government engagement in beneficiary selection and targeting was raised as an on-going challenge in a couple operations". Considering the issues found in the previous years, the External Auditor holds		X		

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			measures and acceptable risk levels.	and systems applicable across diverse contexts while remaining aligned with corporate standards, ensuring risks to operational independence are managed with appropriate corporate oversight and escalation. Measures include corporate guidance, principled decision-making tools, targeting frameworks, risk escalation mechanisms, revised emergency activation protocol, Executive Director's Assurance Exercises, and guidance on resource transfers through government systems.	that a more thorough analysis including an assessment of the risks identified per country office is needed to ensure that Global Headquarters has a good picture of the risks. The External Auditor acknowledges the guidance material WFP has issued. The recommendation remains under implementation.				
99	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 300	Audited Annual Accounts 2024	The External Auditor recommends that each function at headquarters define key performance indicators and the way in which compliance by country offices is monitored and verified, taking into account the global assurance standards.	The WFP Strategic Plan 2026–2029 identifies mainstreaming assurance as one of seven cross-cutting priorities supporting programme quality across all operations. This priority is measured through the Corporate Results Framework 2026–2029, which includes dedicated key performance indicators aligned to the four Global Assurance Standards and reported to the Executive Board through the Annual Performance Report, in addition to functional monitoring mechanisms for Identity Management and Cooperating Partner Management, which are not Corporate Results Framework indicators but form part of WFP's broader assurance and oversight framework.	Based on the Global Assurance Project, WFP has established key performance indicators. The External Auditor considers the recommendation to be implemented.	X			

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
100	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 306	Audited Annual Accounts 2024	The External Auditor recommends that WFP build on the risks identified through the Global Assurance Project to review and define its business process requirements in order to achieve digital integration.	WFP has addressed this recommendation through the development and formal approval of the five-year Digital Business Transformation Plan, informed by an interdivisional review drawing on Global Assurance Project risks, including digital fragmentation, limited end to end integration and reliance on ad hoc solutions. These insights were consolidated into a coherent, prioritized digital investment framework, reducing dependence on one off guidance and waivers.	WFP has established a Digital Business Transformation Plan, which documents the business process reviews, needs assessment and prioritization. The recommendation is considered to be implemented.	X			
101	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 312	Audited Annual Accounts 2024	The External Auditor recommends that WFP review the Global Assurance Project to identify and promote (cost-)efficient best practices.	WFP has reviewed the Global Assurance Project to identify and promote cost-efficient best practices across six functional areas. This was undertaken through a lessons learned exercise, followed by a corporate review at the High-Level Task Force. Best practices were consolidated, refined into functional frameworks, and embedded in mainstreaming plans, standards and tools, with early dissemination to all country directors. The High-Level Task Force provided corporate governance, enhanced promotion, and structured tracking of adoption and compliance. Together, these actions confirm that cost-efficient best practices have been identified,	WFP has conducted a lessons learned exercise and communicated the results to country offices. The recommendation is considered to be implemented.	X			

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
				promoted and monitored across all functions.					
102	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 313	Audited Annual Accounts 2024	The External Auditor recommends that WFP determine a long-term approach to ensure that all relevant assurance gaps and risks are identified and mitigated by appropriate measures.	The Risk Management Division is leading the full integration of assurance processes into WFP's Corporate Risk Management system. This includes supporting offices to integrate material risks related to global assurance standards into risk registers, informed by Executive Director's Assurance Exercise findings, through updated guidance, awareness-raising and targeted capacity-building. In parallel, the Division, with global functions, is strengthening standardized functional internal control checklists, integrating additional assurance controls into the annual Executive Director's Assurance Exercise, and revising the standard operating procedure Management Oversight to validate self-assessments and systematically track follow-up actions. Together, these measures establish a structured, consistent and sustainable approach to assurance, strengthening programme integrity, accountability and risk-informed decision-making across WFP.	WFP has implemented measures and plans to implement further measures to address the recommendation, such as the additional controls in the annual self-assessment on internal controls. The recommendation remains under implementation.		X		

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
103	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 320	Audited Annual Accounts 2024	The External Auditor recommends that WFP review and clarify its corporate rules with regard to mandatory monitoring indicators in Country Strategic Plan log frames to ensure that country offices report more consistently and only include indicators in their planning that are useful and realistic to monitor in the specific context.	The Corporate Results Framework defines mandatory, complementary and country specific indicators at country level. The Country Office Logframe Guidance will be updated accordingly. In the interim, several measures ensure consistent Framework application. The 2026-2029 Indicator Compendium will clearly identify indicator requirements and be externally accessible. COMET enhancements will introduce automated checks to flag missing mandatory indicators. A comprehensive training and sensitization plan is being implemented in early 2026. Indicator use and compliance will be monitored through annual data quality and completeness reviews, particularly during the Annual Country Report cycle, supported by internal dashboards. A post realignment review will confirm full alignment with corporate standards.	WFP has updated its internal guidance on monitoring. In the Corporate Results Framework. WFP has also reviewed and updated the indicators including information on those which are mandatory and recommended for country offices. The revised set of indicators is reflected in the Indicator Compendium, the Logframe Guidance and the internal guidance. The External Auditor considers this recommendation to be implemented.	X			
104	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 325	Audited Annual Accounts 2024	The External Auditor recommends that WFP review the monitoring handbook regarding the planning and assess whether the different monitoring plans can be integrated into one.	The Technology Investment Committee approved the project budget and release of the quarter 1 tranche amounting to USD 141,350. The project is ongoing.	WFP has approved a project to develop a standardized digital solution to facilitate planning, budgeting for and executing assessments and monitoring exercises. The first pilot is planned for the end of 2026. The External Auditor considers this recommendation to be implemented.	X			

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
105	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 331	Audited Annual Accounts 2024	The External Auditor recommends that WFP enhance the documentation on the different steps towards the determination of the transfer value ensuring that relevant decisions are substantiated and reconcilable for external stakeholders.	WFP developed standardized templates documenting the methodology for defining the transfer value. The templates provide step-by-step guidance to support country offices in determining transfer value. These are approved and published on WFPgo.	WFP has developed templates for documenting the determination of transfer values. The templates reflect WFP's guidelines and ensure proper documentation of the different steps. The External Auditor considers the recommendation to be implemented.	X			
106	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 336	Audited Annual Accounts 2024	The External Auditor recommends that WFP analyse if and how a central database on transfer values might help improve knowledge sharing on how to determine the transfer value among country offices.	A central repository (SharePoint) has been implemented for collecting transfer value decisions and supporting documentation. Mandatory transfer value documentation processes have been strengthened through the introduction of standardized templates and oversight tools, with improved mechanisms for knowledge sharing and documentation.	The External Auditor notes that WFP has created a SharePoint site for country offices to share documentation on how transfer values are determined. Together with the enhanced guidance and templates, this facilitates knowledge sharing within the organization. The External Auditor considers the recommendation to be implemented.	X			
107	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 341	Audited Annual Accounts 2024	The External Auditor recommends that WFP refer to guidance notes for ageing eligibility of principal/household cash recipients in its cash-based transfer-related regulatory framework.	The Guidance Note "Sending Money to Unaccompanied Children and Child Heads of Household" was incorporated into the CashBook. This ensures consistent reference to applicable guidance and alignment with the regulatory framework.	WFP has linked the Guidance Note "Sending money to unaccompanied children and child heads of household" into the CashBook. The External Auditor considers the recommendation to be implemented.	X			

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
108	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 352	Audited Annual Accounts 2024	The External Auditor recommends that WFP ensure the integrability of new IT solutions by defining technical requirements as mandatory or assigning adequate weight to the criteria and that WFP consider the full costs in a tender process.	WFP has included the review of the joint memorandum "Technical Approval for the Procurement of IT Software, Hardware and Consultancy Services" in the workplan for the year 2026.	WFP is reviewing the technical approval memo for the procurement of IT software, hardware and consultancy services. The recommendation remains under implementation.		X		
109	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 361	Audited Annual Accounts 2024	The External Auditor recommends that WFP solve the security deficiencies identified in the Workday Authorization To Operate assessment in a timely manner.	All remaining security issues identified in the earlier Authorization to Operate assessment have been resolved. The Authorization to Operate has also been extended for three years until 2027, from the initial release period.	WFP has resolved all security issues identified in the earlier Authorization to Operate assessment. Furthermore, WFP has extended the Authorization to Operate until 2027. The recommendation is considered to be implemented.	X			
110	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 362	Audited Annual Accounts 2024	The External Auditor recommends that WFP analyse if and how it can simplify the Workday interfaces in order to enhance operational efficiency while reducing costs, security risks, and long-term maintenance efforts.	WFP has progressed significantly on enhancing interfaces, particularly those related to Workday-payroll integrations. Absence, and entitlement interfaces are now live, while several additional integrations, including UNDSS, identity, and dependent data harmonization, are currently in stabilization. Key phase 2 interfaces, including the new payroll-input interface enabling automated danger-pay disbursement, PASport decommissioning, and SAP-s/4 re-integration, are planned for 2026.	WFP is making progress in simplifying and improving Workday interfaces, with several core integrations already being live and others currently in stabilization. WFP plans to finalize the integration by the end of 2026. The recommendation remains under implementation.		X		

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
				Pre-payroll budget controls, and other downstream service provider interfaces are also planned to be addressed in 2026.					
111	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 368	Audited Annual Accounts 2024	The External Auditor recommends that WFP clearly define the criteria under which country offices must develop and maintain an ICT disaster recovery plan.	The issuance of the light governance instrument (information note) is scheduled for 2026, with a target completion date of September. Its timely completion could be impacted by changes in resource allocation and competing organizational priorities.	WFP is working on the guidance. The recommendation remains under implementation.		X		
112	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 374	Audited Annual Accounts 2024	The External Auditor recommends that WFP generally not assign the "debugging with replace" authorization in WINGS, but only in exceptional cases under controlled conditions (four-eye principle, temporary access, documentation).	The External Auditor reviewed five samples to assess the process used by WFP to grant exceptional authorities included in the recommendation and noted that the process remains insufficiently secure and should be discontinued. In response, WFP is undertaking a detailed review of the underlying processes and the configuration and functionalities of WINGS.	WFP stated that it managed the "debugging with replace" authorization through an email-based request process. The External Auditor reviewed a sample and found that the requests and use cases were not sufficiently justified. The recommendation remains under implementation.		X		
113	WFP/EB.A/2025/6-A/1 sec. 1, chap. 4 para 380	Audited Annual Accounts 2024	The External Auditor recommends that WFP define a procedure for batch input folders to ensure that they are reviewed on a regular basis and corrected, if needed.	The workstream is on hold pending the upgrade of SAP, as reflected in the Technology Investment Committee update.	WFP has paused the workstream because it depends on the ongoing SAP upgrade, and it will resume once the upgrade is completed. The recommendation remains under implementation.		X		

No	Report Reference	Report Name	Recommendation	Management Response	External Auditor's Assessment	Status after verification			
						<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>
114	<u>WFP/EB.A/2025/6-A/1</u> sec. 1, chap. 4 para 386	Audited Annual Accounts 2024	The External Auditor recommends that WFP comply with the financial regulations and disclose write-offs of assets in note 9 of the financial statements.	WFP has disclosed property, plant and equipment losses in Note 9 of the 2025 Financial Statements.	WFP has disclosed property, plant and equipment losses in Note 9 of the 2025 Financial Statements. The External Auditor considers the recommendation to be implemented.	X			
Total					114	59	51	1	3
Percentage					100	52	45	1	2

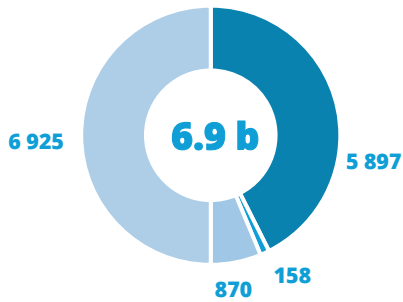
Section II

2025 Financial Statements at a Glance

Statement of Financial Performance

Revenue

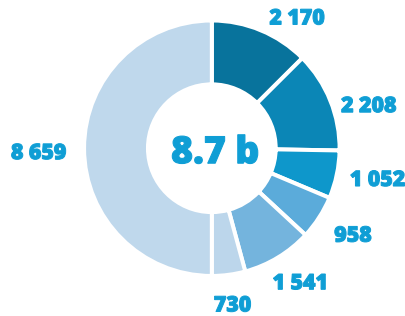
2025: USD 6,952 m
2024: USD 10,373 m



- Monetary Contributions
- In-Kind Contributions
- Other Revenue
- Total

Expenses

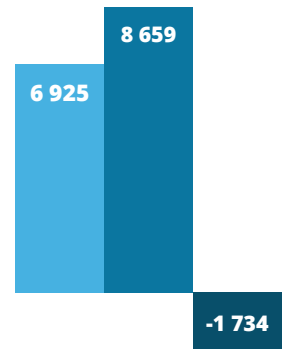
2025: USD 8,659 m
2024: USD 9,041 m



- CBT distributed
- Food commodities distributed
- Distribution services
- Contracted and other services
- Employee costs
- Other expenses
- Total expenses

(Deficit)/Surplus

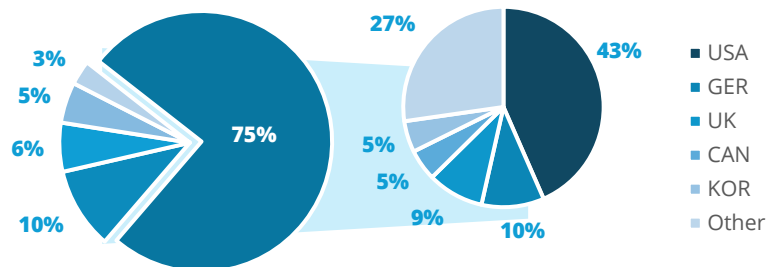
2025: USD (1,734) m
2024: USD 1,333 m



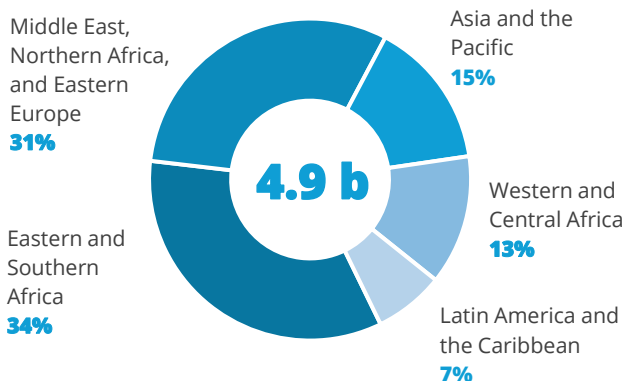
- Total revenue
- Total expenses
- (Deficit)/Surplus

Contribution Revenue by Donors

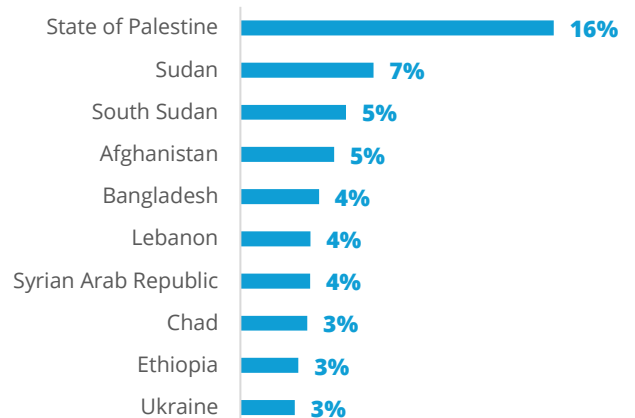
- Governments
- European Commission
- International financial institutions
- Private donors
- United Nations



Contribution Revenue Distribution by Region



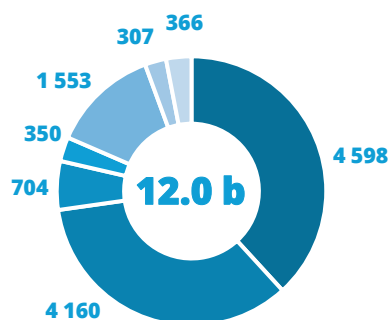
Top 10 Countries by Revenue Distribution



Statement of Financial Position

Assets

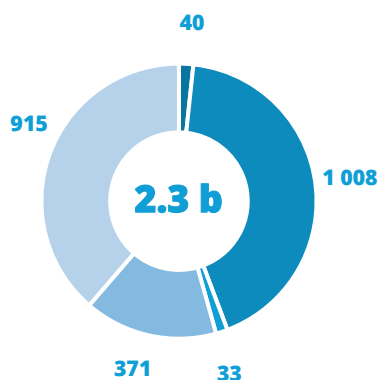
2025: USD 12,038 m
2024: USD 13,543 M



- Cash and short-term investments
- Contributions receivable
- Inventories
- Other receivables
- Long-term investments
- PPE & intangible assets
- Right-of-use assets

Liabilities

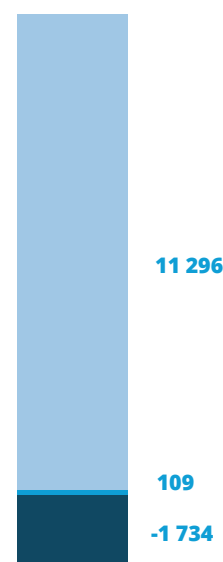
2025: USD 2,367 m
2024: USD 2,247 m



- Deferred revenues
- Employee benefits
- Loan
- Lease liabilities
- Other liabilities

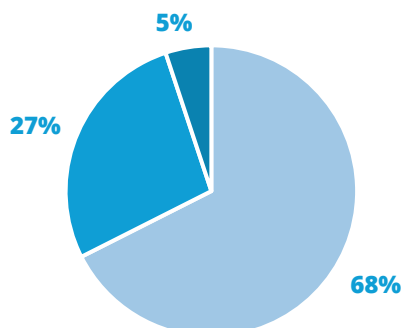
Net Assets

2025: USD 9,671 m
2024: USD 11,296 m



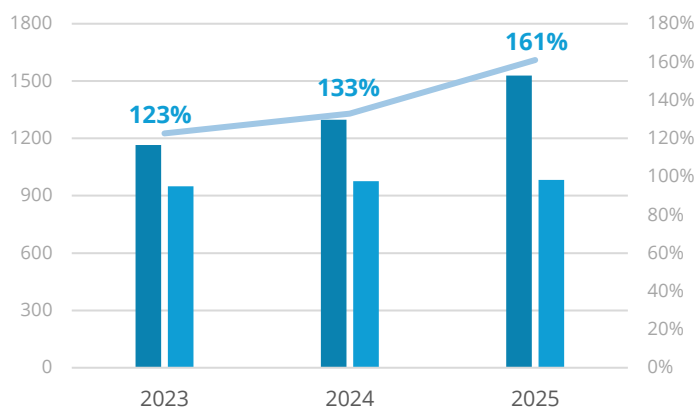
- Opening Net Assets
- Other Adjustments
- Deficit

Fund Balance



- Programme Category Funds
- General Fund and Special Accounts
- Trust Funds

Employee Benefit Liabilities



- Investments for EBL
- Long-term EBL
- Funded ratio (investments over EBL)

Executive Director's statement

Introduction

1. In accordance with article XIV.6 (b) of the general regulations and financial regulation 13.1, I have the honour to submit for the approval of the Executive Board (the Board) the financial statements of the World Food Programme (WFP), prepared in accordance with IPSAS, for the year ended 31 December 2025. The External Auditor has given his opinion and report on the 2025 financial statements, both of which are also submitted to the Board as required by financial regulation 14.8 and the annex to the financial regulations.

Operational context

Operating environment

2. The World Food Programme was established in 1961 by the United Nations General Assembly and FAO Conference as the United Nations system's food aid organization. WFP is governed by a 36-member Executive Board which provides intergovernmental support, direction, and supervision of WFP's activities. WFP provides assistance in 120 countries and territories. At 31 December 2025, WFP had 19,854 employees worldwide, 87 percent of whom were based in the countries and territories where the Programme provides assistance.
3. WFP's corporate strategy is mapped out in its strategic plan every four years. The strategic plan for 2022–2025 was grounded in global commitment to the 2030 Agenda for Sustainable Development. Specifically, the vision of the strategic plan was the eradication of food insecurity and malnutrition and commitment of the United Nations system to working together with national and global actors.
4. Year 2025 was the last year of WFP operating under the strategic plan 2022–2025. The Board approved WFP's strategic plan 2026–2029 during its Second Board Session in November 2025. The new strategic plan sets a clear direction to protect lives in crises while decisively reducing long-term humanitarian needs, in a context of escalating hunger and constrained resources, by sharpening focus, integration and impact. The plan streamlines WFP's work around three integrated strategic outcomes – emergency response, reduced needs and enhanced resilience, and enabled government and partner programmes – and emphasizes delivering the right assistance, to the right people, at the right time, with quality over quantity.
5. WFP's country strategic plans (CSPs) contextualize the implementation of the corporate strategy at the country level, while the corporate results framework provides the means for WFP to monitor and report performance towards corporate goals and contributes to programmatic improvements during the life span of the corporate strategic plan. The WFP corporate results framework 2026–2029, approved by the Board in November 2025, is fully aligned with the new strategic plan, and it operationalizes the plan's focus on meeting urgent needs, reducing humanitarian dependency through resilience, and strengthening national systems and partnerships by linking corporate priorities to measurable results at country, regional and global levels.
6. In 2025, global needs remained high in the midst of the food security and humanitarian community facing an unprecedented funding crisis. An estimated 319 million people across 67 countries are acutely food insecure, more than twice the number before the coronavirus disease 2019 (COVID-19) pandemic. The lives and livelihoods of 44.4 million people are at immediate risk across 47 countries. A record 1.9 million people are facing catastrophic hunger, and for the first time on record, there are two concurrent famines taking place, in the Gaza Strip and in the Sudan.

7. At the same time, major donors are curtailing their assistance, impacting WFP and its partners in the United Nations system and spurring calls for reform. The non-governmental organizations (NGOs) that WFP works with to deliver assistance have also been severely affected. In 2025, WFP's contribution revenue totalled USD 6.0 billion, a 38 percent decrease compared to 2024 contribution revenue level. WFP expects lower funding levels to continue in forthcoming years. The funding gap between contribution revenue and operational needs of USD 15.6 billion in 2025 remained considerable, forcing a scaling back of WFP's assistance and a refocusing on the most severe needs. WFP has also addressed the funding cuts by putting in place strict cost-efficiency measures, reviewing its global footprint and reducing its workforce.
8. With the resources available to WFP and in partnership with national governments, United Nations organizations, and over 1,000 NGO partners, WFP reached 116 million²⁴ direct beneficiaries in 2025 and delivered USD 2.2 billion and USD 2.2 billion of food commodities and cash-based transfers (CBT), respectively. Emergency response remained a focus in 2025, while malnutrition prevention and nutrition treatment activities, school meal activities, asset creation and livelihood support activities, and the provision of common services, among others, were significant.

Financial analysis

Summary

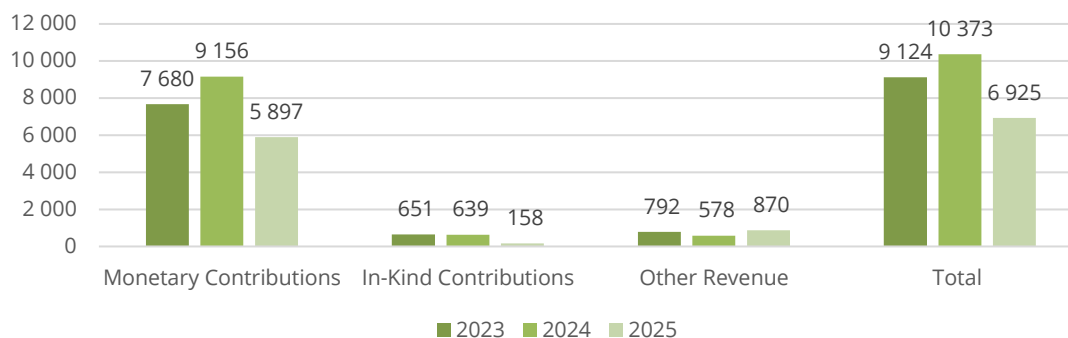
9. WFP's primary source of revenue is voluntary contributions from donors. Revenue is recognized when a contribution is confirmed in writing, is not subject to parliamentary appropriation or similar clauses that will occur in the future, and when WFP has discharged any present obligation in respect of that contribution. WFP's primary expenses relate to food commodities and cash-based transfers distributed. Expenses are recognized when food commodities are delivered to cooperating partners or, in the case of direct delivery, to beneficiaries, or when cash-based transfers are distributed to beneficiaries.
10. An inherent time lag exists between the recognition of revenue and the recognition of expenses. Expenses in any one year may be higher or lower than the revenue in that year, leading to a deficit or surplus in the reporting period, respectively, as WFP utilizes or replenishes its fund balances. When revenues decrease, such as in 2025, WFP is expected to realize a deficit and draw down fund balances accumulated due to the excess of revenue over expenses in previous financial periods.
11. Based on the nature of WFP's operations, most of its assets are current assets expected to be utilized within 12 months after the reporting date. Current assets are expected to be significantly higher than current liabilities due to the time lag between revenue and expenses recognition as discussed above.
12. Total fund balances and reserves comprise fund balances accumulated due to excess of revenue over expenses (including gains and losses recognized directly in net assets) in prior financial periods, and reserves established by the Board for funding specific activities under specific circumstances.

²⁴ The number of direct beneficiaries reached is preliminary. The 2025 annual performance report, presented at the annual session of the Executive Board will provide the final number of beneficiaries reached.

Financial performance

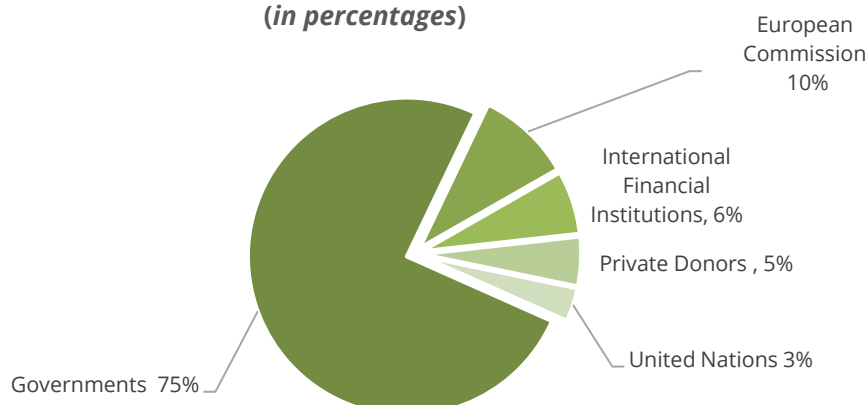
Revenue

**Figure 1: Revenue
(in USD million)**



13. In 2025, WFP saw a revenue decrease of USD 3,447.7 million, or 33 percent from the revenue of USD 10,373.1 million recognized in 2024. Total revenue in 2025 was USD 6,925.4 million comprising USD 6,055.0 million of contribution revenue and USD 870.4 million of other revenue.
14. Contribution revenue decreased by 38 percent from USD 9,795.2 million in 2024 to USD 6,055.0 million net of allowances and other reductions to the revenue, and it comprised USD 5,896.6 million of monetary contributions and USD 158.4 million of in-kind contributions. Fifty-three percent of the contribution revenue has been recognized in the second half of 2025.
15. The decrease in contribution revenue in 2025 was driven by a decrease in contributions from several donors, with the largest decrease of 55 percent attributable to the United States of America, whose contributions to WFP in 2025 represented a 33 percent share (2024: 45 percent share) of total contribution revenue. Other major donors also decreased their contributions in 2025, including Germany, the United Kingdom of Great Britain and Northern Ireland, the European Commission. Direct contributions from the World Bank were three times higher in 2025 compared to 2024.

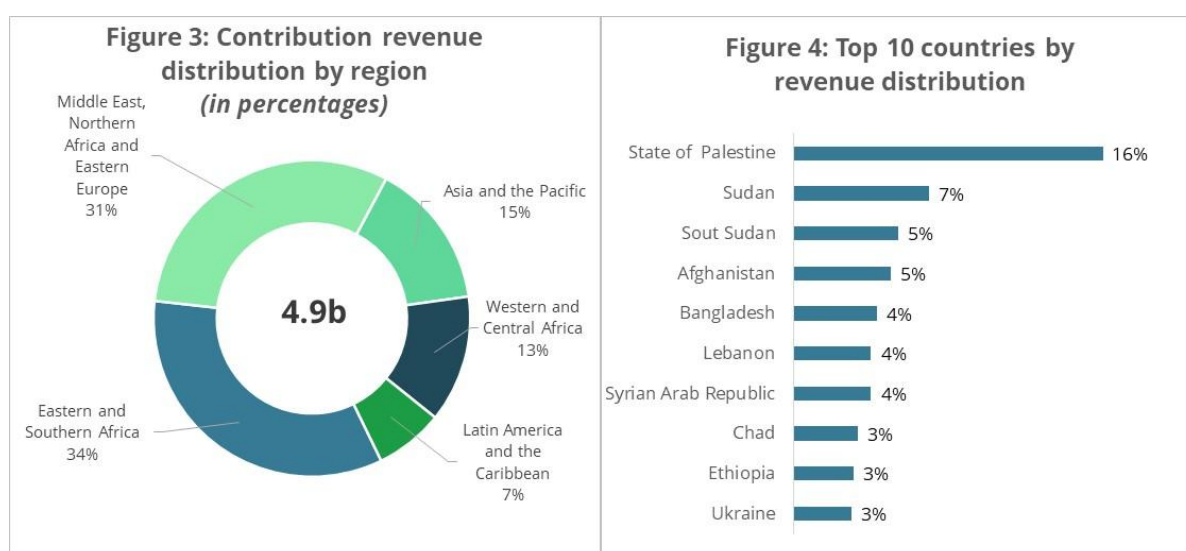
**Figure 2: Contributions revenue by donors
(in percentages)**



16. USD 4,937.8 million or 82 percent of 2025 contribution revenue of USD 6,055.0 million was for WFP's programme category funds, USD 199.7 million or 3 percent for trust funds and

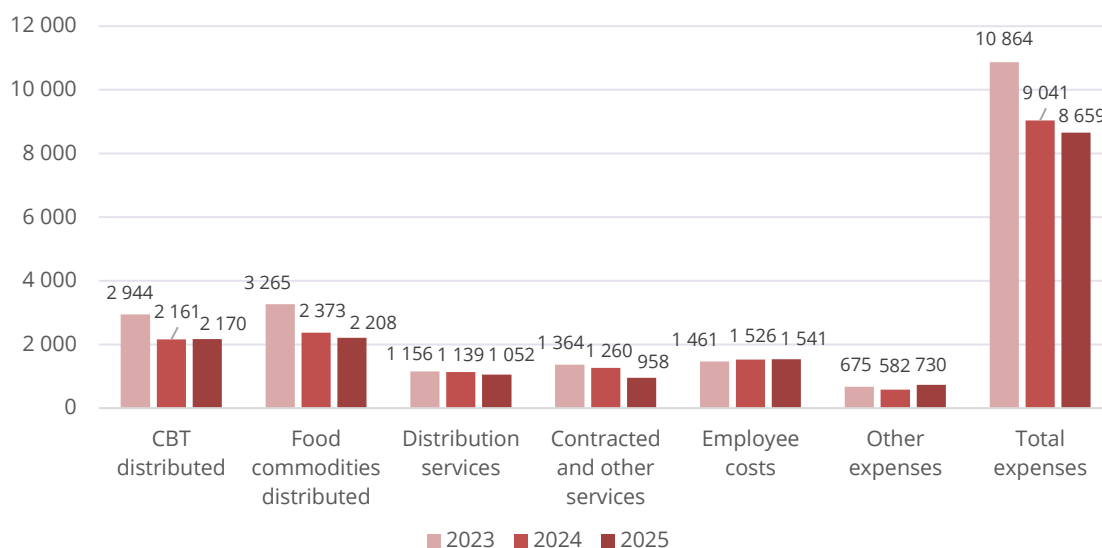
USD 917.5 million or 15 percent was initially recorded under the General Fund and Special Account segment. Multilateral contributions, amounting to USD 382 million in 2025, are initially recorded under the General Fund and Special Account segment and subsequently allocated to specific programmes.

17. Sixty-five percent of contribution revenue under the programme category funds was directed to countries in the Eastern and Southern Africa Region and in the Middle East, Northern Africa, and Eastern Europe Region (34 percent and 31 percent respectively), due to the extensive needs of major operations in these two regions, in particular in the State of Palestine, Sudan, and South Sudan. Fifteen percent of contribution revenue was directed to countries in the Asia and the Pacific Region, where five percent of total contribution revenue under programme category funds is attributable to Afghanistan. More than two-thirds of the contribution revenue in the Latin America and the Caribbean Region was attributable to operations in Haiti, Colombia and Honduras.
18. The contribution revenue under the programme category funds was distributed across the five regions and top ten countries as follows.



19. Other revenue was USD 870.4 million in 2025, an increase of USD 292.5 million or 51 percent compared to USD 577.9 million in 2024. The increase is primarily due to currency exchange gains and return on investments. Other revenue comprised:
- revenue generated from provision of goods and services and other miscellaneous revenue – USD 255.5 million, a decrease of 12 percent, due to decrease in service provision revenue;
 - currency exchange differences – USD 166.4 million gain (2024: 43.5 million loss), due to increase of realized gains from purchase and sale of foreign currencies and unrealized gains from the revaluation of cash and receivables held in foreign currencies (mostly on account of EUR); and
 - return on investments – USD 448.5 million gain (2024: USD 330.1 million gain) due to unrealized gains on investments in open-ended equity investment funds and higher interest income earned.

Figure 5: Expenses
(in USD million)



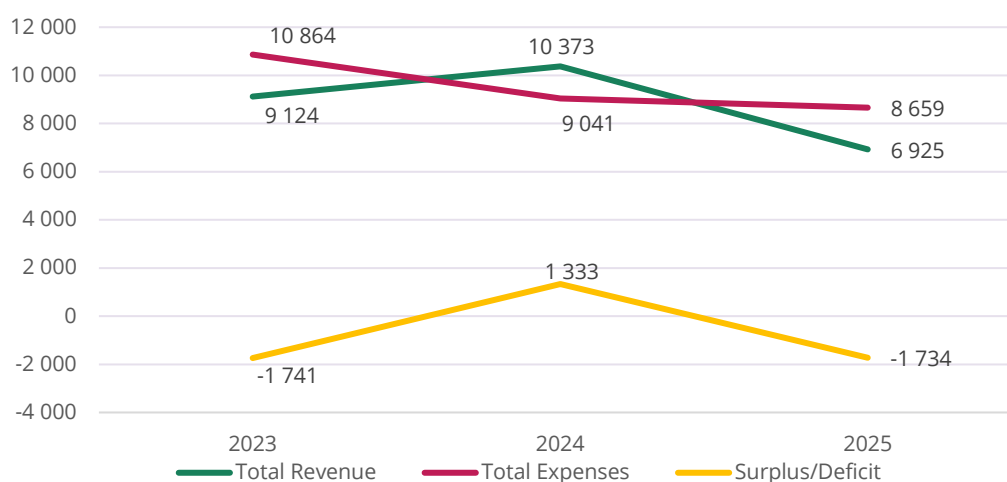
Expenses

20. In 2025, WFP expenses were USD 8,659.3 million, a decrease of USD 381.2 million or 4 percent from USD 9,040.5 million in 2024.
21. The main expense lines, “cash-based transfers” and “commodities distributed”, reflect WFP’s core mandate of delivering assistance to beneficiaries. Costs related to WFP’s capacity strengthening activities are recorded under all other expense lines, depending on the nature of the costs incurred. Likewise, the costs of services that WFP is mandated to provide to other United Nations organizations and the wider humanitarian community – such as aviation and the management of emergency supplies (United Nations Humanitarian Air Services and the Humanitarian Response Depot) – as well as other on-demand services in supply chain, cash transfers, information technology and administration for United Nations organizations, governments and NGOs, are recorded across the remaining expense lines.
22. Most of WFP’s food commodities distribution activities are conducted through cooperating partners. In 2025, WFP carried out food distribution in 70 countries, through 883 cooperating partners. Cash-based transfers are delivered through various delivery mechanisms engaging different transfer agents such as financial services providers, remittance companies, mobile money providers, retailers, government entities, NGOs or United Nations organizations and directly by WFP. In 2025, WFP carried out cash-based transfers in 77 countries partnering with 483 transfer agents.
23. Cash-based transfers distributed of USD 2,170.4 million (including USD 169.1 million of commodity voucher transfers), increased by USD 9.6 million or 0.4 percent compared to USD 2,160.8 million (including USD 124.9 million of commodity voucher transfers) in 2024. Out of USD 2,170.4 million of total cash-based transfers, USD 193.1 million was distributed through cooperating partners (USD 175.2 million in 2024). The slight increase in cash-based transfer distributions was largely a result of increases in distributions in Sudan (USD 92.3 million), the State of Palestine (USD 91.9 million), and the Syrian Arab Republic (USD 63.4 million), offset by the decreased distribution in Somalia, the Democratic Republic of the Congo and other countries, while ten countries had a 60 percent share of total distribution.

24. Food commodities and non-food items distributed totalled USD 2,207.5 million, a decrease of 7 percent vs. the USD 2,372.9 million distributed in 2024. Food commodities distributed in 2025 were 2.5 million mt, a decrease of 0.1 million mt or 4 percent versus 2024. Food commodities distributed had a corresponding value of USD 2,185.3 million in 2025, a 7 percent decrease compared to 2024. Out of USD 2,185.3 million of food commodities distributed, USD 1,992.5 million (2.1 million mt) were distributed through the cooperating partners (USD 2,135.9 million and 2.3 million mt in 2024). Sixty-two percent of the food commodities distributed in tonnage and in value are attributable to WFP's operations in Sudan, Yemen, Ethiopia, Afghanistan, the Democratic Republic of the Congo, the State of Palestine, South Sudan, Bangladesh, the Syrian Arab Republic and Pakistan.
25. Distribution and related services costs decreased in 2025 by USD 86.4 million or 8 percent to USD 1,052.1 million from USD 1,138.5 million in 2024. Distribution and related services comprise the costs of in-country movement of commodities up to and including the final delivery point, as well as costs incurred through cooperating partners to implement activities on WFP's behalf, such as food and CBT distribution and capacity-strengthening, in accordance with Field-Level Agreements (FLAs) or Memorandums of Understanding (MOUs). This category also includes transaction costs associated with cash-based transfers to beneficiaries.
26. Contracted and other services costs of USD 957.7 million, decreased by USD 302.5 million or 24 percent mainly due to decreases in the costs of air operation. In line with IPSAS 43, *Leases* adoption, the leases costs of USD 144.6 million presented as part of contracted and other services costs comprise only lease expenses which are either outside or exempted from the scope of IPSAS 43 (in-kind leases and low-value or short-duration property, vessels and aircraft leases).
27. Staff and affiliated workforce costs in aggregate increased by USD 14.7 million to USD 1,540.8 million in 2025, a 1 percent increase compared to 2024. The total number of staff and affiliated workforce at year end was 19,854, a 12 percent decrease compared to year end 2024.
28. Staff costs of USD 1,157.9 million represent the salaries, entitlements and benefits of WFP's international and national staff. In 2025, staff costs increased by USD 46.1 million (4 percent) even though the corresponding headcount decreased by 7 percent. The main drivers of the increase were United Nations salary scale adjustments for locally recruited staff (mainly in the Democratic Republic of the Congo, Haiti and Uganda) and an increase in pensionable remuneration for professional and higher-category staff, effective 1 February 2025. In addition, WFP incurred higher termination costs due to agreed separations and special separation measures related to organizational downsizing, as well as costs associated with the targeted conversion of short-term positions to long-term positions.
29. Affiliated workforce costs of USD 383.0 million include salaries and other personnel costs of consultants, Service Contracts and Special Service Agreements. These costs decreased by USD 31.4 million or 8 percent, with the corresponding affiliated workforce headcount decrease of 17 percent.

30. The remaining expense lines presented as “other expenses” in figure 5 of USD 730.7 million increased by USD 148.8 million or 26 percent compared to 2024, mainly due to the first-time recognition of depreciation expense of USD 163.1 million on the right-of-use assets from IPSAS 43 implementation. These costs are composed of:
- supplies, consumables and other running costs – USD 303.7 million;
 - depreciation and amortization costs – USD 236.5 million;
 - travel costs – USD 80.2 million;
 - finance costs – USD 33.2 million; and
 - other expenses – USD 77.1 million.

Figure 6: Surplus/(Deficit)
(in USD million)



Surplus

31. In 2025, the deficit of revenue over expenses is USD 1,733.9 million compared to the surplus of USD 1,332.6 million in 2024. This deficit is due to a 33 percent decrease in revenues in 2025, while expenses fell by 4 percent only. The time lag between revenue and expense recognition remains the main factor for surpluses/deficits in a reporting period.
32. The deficit in the period comprised deficit in most operations where revenue recognized is lower than expenses incurred during the same period. These deficits are partially offset by the surpluses realized in some operations.
33. In 2025, the largest deficits are realized in Yemen, Somalia, the Democratic Republic of Congo, Ukraine and Afghanistan. The largest surpluses are recorded in the State of Palestine, Colombia, Tajikistan, Myanmar, and Armenia, reflecting revenues received in 2025 that will support the continued implementation of activities in future periods.

Financial position**TABLE 1: SUMMARY OF FINANCIAL POSITION AT 31 DECEMBER 2025**
(in USD million)

	2025	2024
Cash and short-term investments	4 597.5	5 098.5
Contributions receivable	4 160.4	5 434.8
Inventories	703.9	1 044.1
Other receivables	349.7	352.6
Long-term investments	1 552.9	1 316.8
Property, plant and equipment and intangible assets	307.1	296.5
Right-of-use assets	366.1	-
Total assets	12 037.6	13 543.3
Deferred revenues	39.8	24.6
Employee benefits	1 007.8	1 028.9
Loan	32.8	38.5
Lease liabilities	370.9	-
Other liabilities	915.4	1 155.3
Total liabilities	2 366.7	2 247.3
Net assets	9 670.9	11 296.0
Fund balances	8 999.3	10 502.5
Reserves	671.6	793.5
Total fund balances and reserves	9 670.9	11 296.0

Total assets

34. Total assets decreased in 2025 by USD 1,505.7 million or 11 percent, mainly due to decreases in contributions receivable, consistent with the decrease in contribution revenue in 2025.
35. Total cash, cash equivalents, and short-term investments of USD 4,597.5 million decreased in 2025 by USD 501.0 million or 10 percent from USD 5,098.5 million in 2024. The decrease is generated by cash flows from investing activities. WFP's cash, cash equivalents and short-term investments included in the programme category funds segment of USD 2,795.1 million cover four months of operational activity (2024: five months). Long-term investments increased by USD 236.1 million or 18 percent, primarily due to unrealized gains of equity investment funds, as well as due to additions to invested assets. These investments are held with an aim to cover long-term employee benefits.
36. Total contributions receivable of USD 4,160.4 million decreased by USD 1,274.4 million or 23 percent from USD 5,434.8 million in 2024, in line with the decrease in contribution revenue. The average collection period is eight months (seven months in 2024).
37. Inventories comprise food commodity inventory of USD 678.9 million and non-food items inventory of USD 25.0 million. The main food commodity types held by WFP are cereals, pulses and vegetables, oils and fats. The value of WFP's food commodity inventory at the

end of 2025 decreased by USD 333.1 million or 33 percent from the 2024 value of USD 1,012.0 million, while inventory held in mt decreased by 30 percent from the 2024 inventory (0.9 million mt in 2025 compared to 1.3 million mt in 2024). Sixty percent of inventories by quantity and sixty-three percent by value were held by ten operations: the State of Palestine, the Democratic Republic of the Congo, the Syrian Arab Republic, South Sudan, Sudan, Yemen, Chad, Ethiopia, Burkina Faso and Kenya. Thirteen percent of food commodity inventory is held at strategic locations under the Global Commodity Management Facility. Using the historical average of commodities distributed, the 0.9 million mt of food commodities in inventory represents approximately five months of operational activity.

38. Right-of-use assets of USD 366.1 million were first-time recognized upon IPSAS 43 adoption. They represent WFP's right to use underlying assets portfolio (property and aircraft) for the duration of the lease term.
39. Other receivables totalled USD 349.7 million, a decrease of one percent compared to 2024. The reduction in other receivables mainly reflects the settlement of advances made to cooperating partners and financial service providers for cash-based transfer activities in the Mozambique and Niger operations, together with advances for ocean charter arrangements supporting overland shipping activities in the Yemen and Ethiopia operations.

Total liabilities

40. Total liabilities increased by USD 119.4 million or 5 percent from USD 2,247.3 million in 2024 to USD 2,366.7 million in 2025.
41. Lease liabilities of USD 370.9 million were recognized for the first time upon IPSAS 43 adoption. They represent WFP's obligation to make future payments for right to use the underlying assets (property and aircraft) for the duration of the lease term.
42. Employee benefit liabilities decreased by USD 21.1 million or 2 percent to USD 1,007.8 million. This decrease is primarily due to increase in discount rates.
43. Deferred revenue reflects contributions revenue stipulated for future years where WFP has a present obligation recognized as a liability. Deferred revenue in 2025 increased by USD 15.2 million, or 62 percent, to USD 39.8 million.
44. Other liabilities decreased by USD 239.9 million or 21 percent. Other liabilities primarily comprise accruals, vendor payables and liabilities for service provision. The decrease in other liabilities is driven mainly by decrease in accruals, following the reduction of revenues recorded in 2025 and as a consequence lower operating activities. Accruals represent expenses that have been incurred during the reporting period but not yet invoiced at the reporting date, reflecting the application of the accrual basis of accounting whereby costs are recognized in the period in which the related goods and services are received or obligations arise. Major decreases of accruals are under Global Commodity Management Facilities, South Sudan, Ethiopia, Afghanistan and Yemen operations.

Net assets

45. Net assets represent the difference between WFP's total assets and total liabilities. At 31 December 2025, WFP's net assets totalled USD 9,670.9 million, a decrease of USD 1,625.1 million or 14 percent compared to 2024. Of these net assets (fund balances and reserves), USD 6,533.1 million relate to the programmes, representing approximately five months of operational activity (six months in 2024). Operational fund balances relate to donor support primarily directed to specific programmes in different stages of implementation, with expenses and related reduction in fund balance only recognized when food commodities are delivered, and cash-based transfers are distributed. The remaining

balance of USD 2,466.2 million pertains to the General Fund, Trust Fund and Special Accounts while USD 671.6 million pertains to reserves.

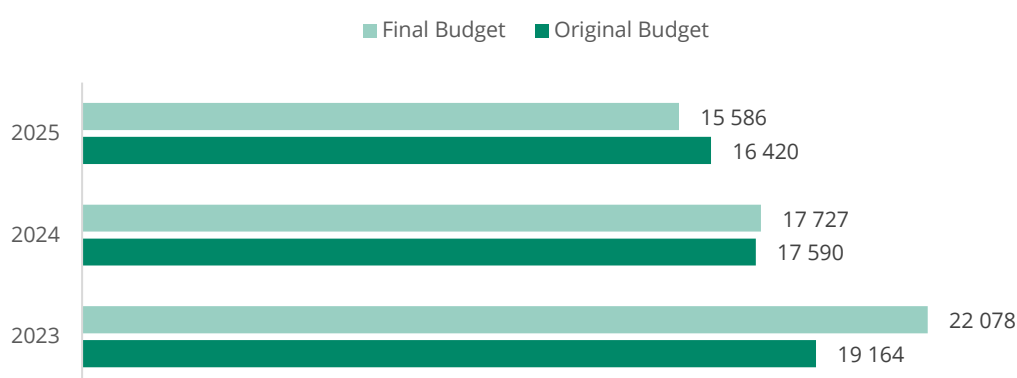
46. At 31 December 2025, reserves balances decreased by USD 121.9 million or 15 percent compared to the balances held at 31 December 2024. The decrease was due to a USD 69.1 million decrease in the Programme Support and Administrative Equalization Account (PSAEA) and a USD 52.8 million decrease in the Immediate Response Account (IRA).

Budgetary analysis

Budget preparation and approval

47. The strategic and programmatic context for budget preparation is set out in the WFP strategic plan (2022–2025)²⁵ and is embedded in planning processes that are designed to build on WFP’s priority emergency assistance in ways that result in not only saving lives but also changing lives. WFP’s country offices are operating based on a CSP framework composed of CSPs, interim CSPs (ICSPs) and limited emergency operations. CSPs include country portfolio budgets and serve as a vehicle for resource mobilization and fund management. They are aligned with the WFP strategic plan (2022–2025) and the corporate results framework (2022–2025).²⁶
48. CSPs are approved by the Board and may be revised to respond to contextual and operational changes. Revisions funded entirely by the host country may be approved by the Executive Director. Further authorities are delegated from the Board to the Executive Director such as approval of limited emergency operations up to a USD 50 million limit, increase of CSPs or ICSPs not exceeding 15 percent of current overall budget and revisions related to service provision activities as further detailed in annex III of the Update on the Integrated Road Map (WFP/EB.1/2020/4-A/1/Rev.2).

**Figure 7: Budget evolution
(in USD million)**



Basis of the budget

49. The original budget figures for the CSP and PSA budget disclosed in Financial Statement V – Statement of comparison of budget and actual amounts are derived from the WFP management plan (2025–2027). The CSP budgets are broadly needs-based and are updated throughout the year. Resources are made available for CSP costs when contributions are confirmed by donors for approved CSPs and through WFP’s advance

²⁵ “WFP strategic plan (2022–2025)” (WFP/EB.2/2021/4-A/1/Rev.2).

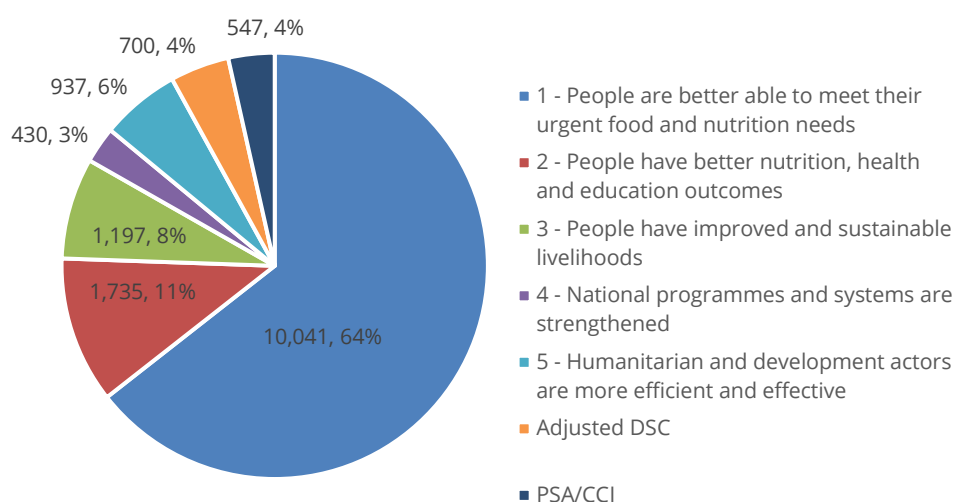
²⁶ “WFP corporate results framework (2022–2025)” (WFP/EB.1/2022/4-A/Rev.1).

financing facilities. Budgetary authority to incur PSA costs is received through the approval of the management plan.

Overview of the budgetary requirements in 2025

50. The WFP management plan (2025–2027),²⁷ which was approved by the Board in November 2024, presented the 2025 programme of work amounting USD 16,419.90 million, disclosed as “original budget” in Financial Statement V of comparison of budget and actual amounts.
51. By the end of 2025, the programme of work was reduced by USD 834.4 million or 5 percent to final budget of USD 15,585.5 million, disclosed as “final budget” in Statement V. Reduced needs in the Democratic Republic of the Congo, Afghanistan, Somalia, the Syrian Arab Republic and Ethiopia were partially offset by increased requirements in other operations.

Figure 8: Final Budget for period ended 31 December 2025
(in USD million)



52. Countries affected by conflict required urgent and targeted unconditional food assistance and nutrition programmes, adapted to the magnitude of the conflict and to fluctuations in needs. From the programmatic perspective, direct programmatic costs in support of SDG 2, strategic outcomes 1 (People are better able to meet their urgent food and nutrition needs), 2 (People have better nutrition, health and education outcomes) and 3 (People have improved and sustainable livelihoods) represented 83 percent or USD 12,972.5 million of the total final budget of USD 15,585.5 million (a 5 percent decrease compared to the 2025 original budget).
53. Furthermore, 9 percent or USD 1,366.5 million of the total final budget was allocated in support of SDG 17, strategic outcomes 4 (National programmes and systems are strengthened) and 5 (Humanitarian and development actors are more efficient and effective), which includes decreases in Lebanon, Sudan and Malawi.

²⁷ “WFP management plan (2025–2027)” (WFP/EB.2/2024/5-A/1/Rev.1).

54. In 2025, ten operations accounted for 61 percent of the total CSP final budget.

Figure 9. Final Budget by size - CSP
(in percentages)

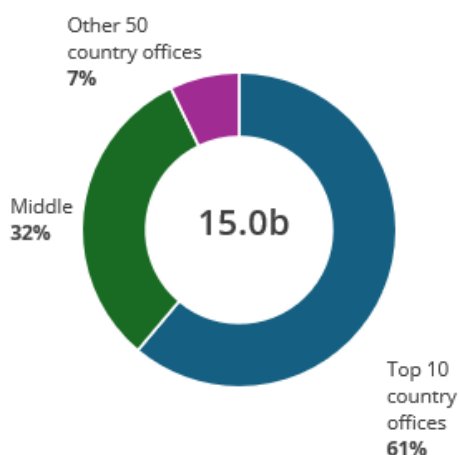
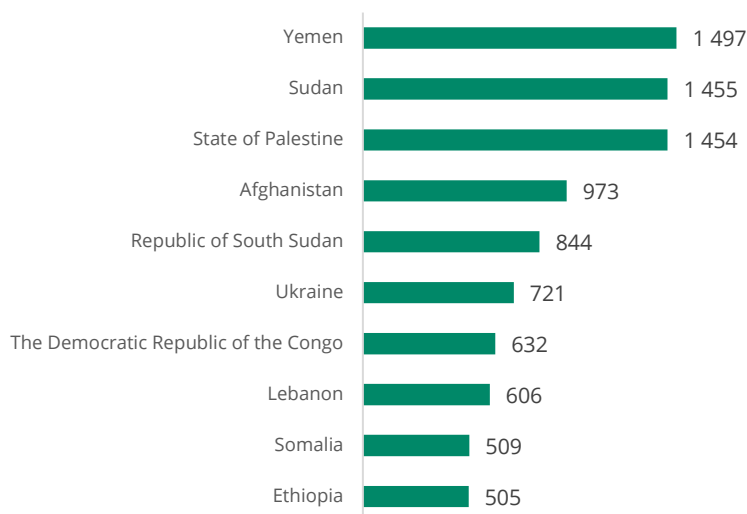


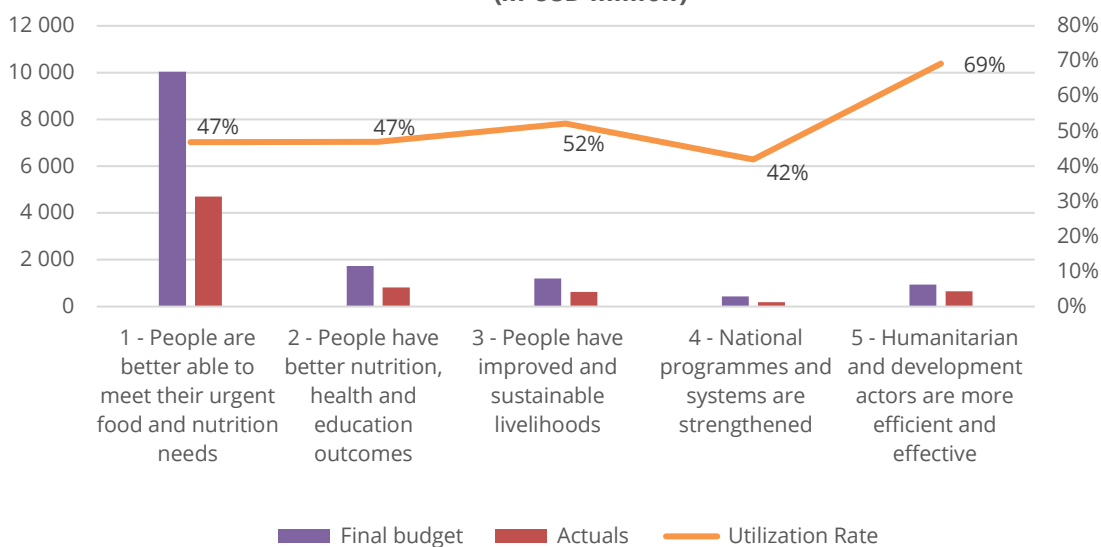
Figure 10: Top 10 countries by Final Budget (in USD million)



Utilization of the budget

CSP final budget utilization

Figure 11: Final Budget utilization by Strategic Outcome
(in USD million)

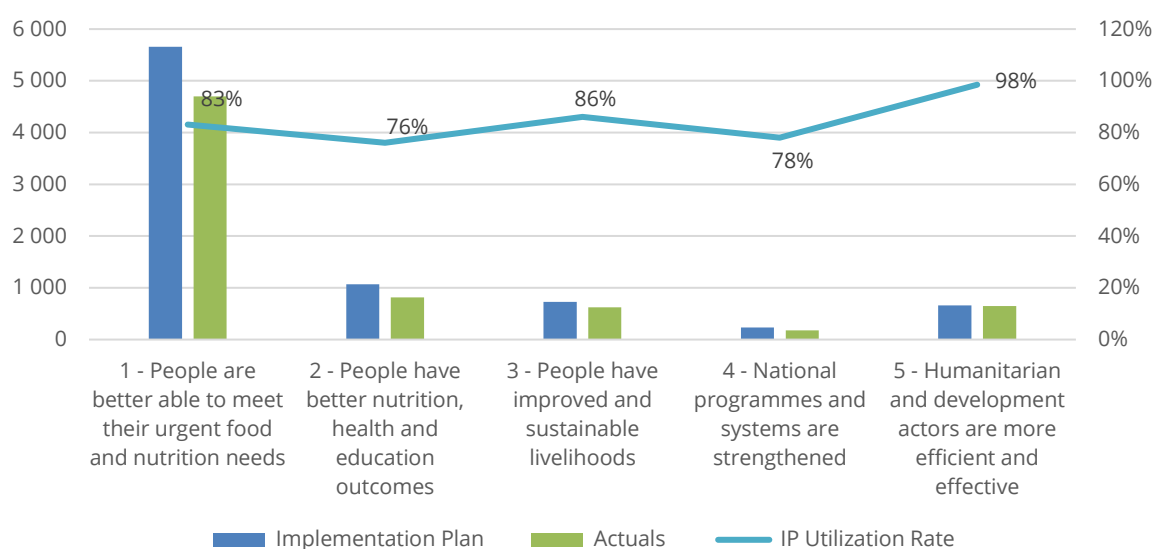


55. Resources are made available for CSPs when contributions are confirmed by donors for the approved CSP, or funds are provided through advance financing mechanisms. Therefore, budgetary utilization within the year is constrained by the amount, timing, and predictability of contributions, as well as the inherent operational constraints.

56. In 2025, the CSP final budget excluding indirect support costs (ISC) was USD 15,038.6 million (disclosed in Financial Statement V as "Subtotal CSP costs" under the final budget) and overall utilization of the CSP final budget was at 49 percent, reflected across the various strategic outcomes as outlined below:
- Strategic outcome 1 (People are better able to meet their urgent food and nutrition needs) had a utilization rate of 47 percent. Nearly 98 percent of USD 4,701.7 million in actual costs under strategic outcome 1 relate to unconditional resource transfers, malnutrition prevention and nutrition treatment activities. The top three operations in terms of unconditional resource transfers were the State of Palestine (USD 605.1 million), Sudan (USD 499.6 million), and South Sudan (USD 243.4 million).
 - Strategic outcome 2 (People have better nutrition, health and education outcomes) had a utilization rate of 47 percent. School meals, malnutrition prevention and treatment, and unconditional resource transfers represented 96 percent of total actual costs of USD 814.5 million under strategic outcome 2. The top three operations in these categories were Pakistan (USD 92.9 million), South Sudan (USD 76.2 million), and Haiti (USD 58.1 million).
 - Strategic outcome 3 (People have improved and sustainable livelihoods) had an overall utilization rate of 52 percent. Asset creation, smallholder agricultural market support programmes and actions to protect against climate shocks are the primary activity categories contributing to strategic outcome 3. WFP was most active in Sudan, Chad, South Sudan and Ethiopia.
 - Strategic outcome 4 (National programmes and systems are strengthened) had an overall utilization rate of 42 percent. Social protection and school-based programmes are the primary activity categories contributing to strategic outcome 4. WFP was most active in Ukraine, Mozambique and Egypt.
 - Strategic outcome 5 (Humanitarian and development actors are more efficient and effective) had an overall utilization rate of 69 percent. UNHAS and on-demand services are the primary activity categories contributing to strategic outcome 5. WFP was most active in Lebanon, South Sudan and the State of Palestine.

CSP implementation plan utilization

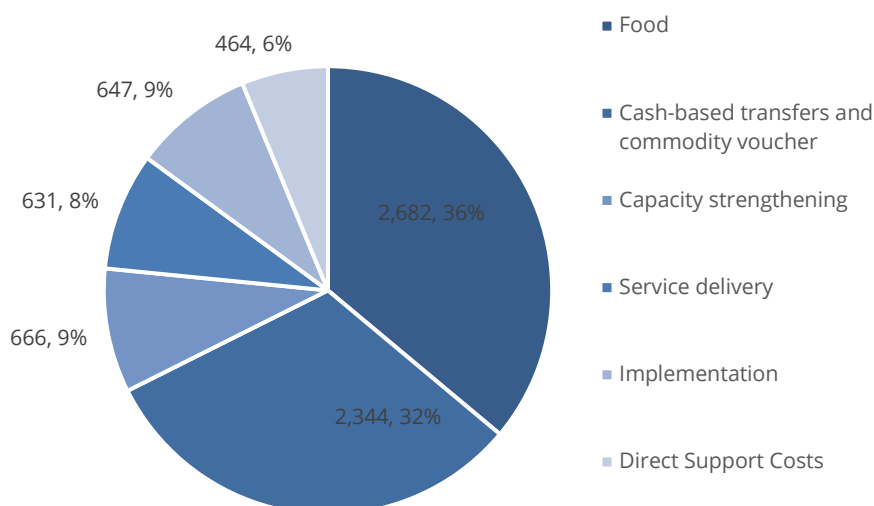
Figure 12: Implementation Plan utilization by Strategic Outcomes - CSP (in USD million)



57. The implementation plan presented in Statement V of USD 8,867.2 million represents the prioritized operational needs for approved CSPs at 31 December 2025, derived from the final budget, considering funding forecasts, available resources and operational challenges. WFP achieved an overall utilization rate of 84 percent against the implementation plan. The implementation plans for the top ten countries comprised 55 percent of total implementation plan with average implementation rate of 80 percent.

CSP actual costs analysis by transfer modalities

**Figure 13: CSP Actual costs by high-level cost category
(in USD million)**



58. The country portfolio budget structure includes four high-level cost categories: transfer costs; implementation costs; direct support costs (DSC); and ISC. The transfer costs correspond to the monetary value of the transferred food, cash-based transfers, capacity strengthening and service delivery, as well as the related delivery costs and accounted for 85 percent of total CSP operational and DSC in 2025.
59. Out of a total of USD 6,322.2 million in transfer costs, USD 2,681.8 million was for food transfers. The State of Palestine, Sudan, Ethiopia and South Sudan, Afghanistan, the Democratic Republic of Congo, the Syrian Arab Republic, Burkina Faso, Pakistan and Yemen were the countries with the highest food delivery, representing 70 percent of the total food transfer cost.
60. Cash-based transfers stood at USD 2,343.5 million in 2025. Lebanon, Bangladesh, Ukraine, Sudan, Afghanistan, Somalia, the State of Palestine, Chad, the Syrian Arab Republic and Nigeria operations represent the largest share of cash-based transfers, with 55 percent of total cash-based transfer costs.
61. Capacity strengthening accounted for USD 665.9 million or 9 percent of total CSP costs, referring to the transfer of materials, equipment, knowledge and other resources to individual beneficiaries, communities, or other counterparties in support of WFP's strategic objectives. Service delivery transfer costs decreased to USD 631.0 million in 2025, with a reduced demand for the cash transfer services.
62. Implementation costs and DSC accounted for 9 percent and 6 percent, respectively, of the CSP actual costs.

Indirect costs

63. Budgetary authority to incur PSA expenditures is received through the approval of the management plan. The original PSA budget approved by the Executive Board was USD 480.0 million. Considering a reduction in funding forecast, a PSA utilization plan at USD 432.0 million reflecting a 10 percent reduction was presented to the Executive Board at its annual session. Of the approved PSA budget, USD 432.3 million or 90 percent was utilized, resulting in the PSA savings of USD 47.7 million. The PSA budget reduction demonstrates corporate efforts to calibrate expenditures to the level of resources. The final approved budget for the critical corporate initiatives was USD 66.9 million. Of this amount, USD 55.4 million (83 percent) was utilized in 2025.

Enhancing transparency and accountability

64. WFP prepares financial statements in accordance with IPSAS to ensure timely, relevant, and useful financial reporting, thereby improving transparency and accountability in the management of resources.
65. To ensure continued compliance with IPSAS, WFP assesses the impact and applies new IPSAS standards and changes accounting policies when changes in IPSAS require revisions. WFP continues to work closely with other United Nations system organizations, through the High-Level Committee on Management task force on IPSAS. This task force provides a platform for discussion of IPSAS issues, with a view to achieving consistency in the application of IPSAS developments and enhancing comparability of financial reporting.
66. The leadership team meets regularly to discuss strategic direction and the framework for decision making, including a review of selected IPSAS-based financial highlights, which cover key areas of WFP's financial performance and financial position.
67. WFP's enterprise risk management framework is designed to identify, manage and communicate risk exposure and to provide reasonable assurance regarding the achievement of WFP's objectives. The Risk Management Division prepares the annual statement on internal control on behalf of the Executive Director. The statement is informed by the Executive Director's Assurance Exercise, an annual, organization-wide process through which global managers in the field and global headquarters assess the design and implementation of key controls against corporate standards, complemented by management review and oversight inputs. The results of this exercise are consolidated and analysed to identify material risk and control issues requiring management attention and are reflected in the Management Review of significant risk and control issues.
68. In 2025, WFP transitioned the Global Assurance Project from a targeted initiative covering thirty-one high-risk country offices to a fully mainstreamed, organization-wide approach. Originally established to strengthen end-to-end assurance and internal control arrangements in higher-risk operations, the initiatives have now been embedded across all country offices. The project established minimum assurance standards across five critical risk areas: monitoring and community feedback mechanisms, targeting, identity management, cooperating partner management, and supply chain. These standards have been progressively integrated into corporate policies, systems and oversight processes and are now being applied across all operations, informed by lessons learned and good practices from higher-risk contexts.
69. In 2025, WFP strengthened its governance and accountability architecture through the Management Accountability Framework, which clarified roles, responsibilities, and escalation pathways and more clearly articulated the critical role and accountability of country directors in ensuring programme delivery, operational quality, and effective risk management. In November 2025, the Executive Board approved the overarching WFP

Accountability and Oversight Framework, which superseded the 2018 WFP Oversight Framework, thereby strengthening WFP's governance and oversight architecture. Furthermore, WFP issued the updated Management Oversight Framework to strengthen second-line oversight through more coordinated, risk-based engagement by Global Functions. Together, these measures enhance transparency, management accountability, and assurance across the organization.

70. In 2025, corporate-level risk assessment continued to be coordinated centrally through the Risk Management Division and conducted holistically, drawing on functional and country level risk assessments as well as risks affecting WFP as a whole. The Corporate Risk Register was regularly updated during the year to reflect changes in WFP's risk environment and management priorities. Reviewed by senior management and the Risk Committee, the Corporate Risk Register provided a consolidated view of the most significant organization-level risks facing WFP and informs the prioritization of mitigation actions and assurance activities.
71. The Risk Management Division, as the custodian of WFP's internal control framework, monitored implementation through regular reporting on risk matters to senior governance and oversight committees, including dedicated country office operational updates and annual assurance statements from global management. In 2025, the Risk Management Division updated escalation protocols to address major risks, incident reporting, and internal control issues.
72. During the year, the WFP Policy Committee and the WFP Risk Committee served as the two standing governance bodies. The Risk Committee, chaired by the Deputy Executive Director and Chief Operating Officer, functioned as an advisory forum providing strategic guidance on oversight recommendations, corporate risk management, operational quality and assurance. In December 2025, the Risk Committee reviewed the 2026 Corporate Risk Register, with senior management emphasizing accountability for addressing nine priority corporate risks²⁸ and advancing related mitigation actions.
73. WFP maintains strong policies related to the public disclosure of the results of independent evaluations and audits. Summary evaluation and External Auditor reports, accompanied by management responses, dating back to 1999 are posted on the Executive Board's public website. In addition, annual updates on reports of the Joint Inspection Unit of the United Nations are also available on the Executive Board's public website dating back to 1999. Internal audit reports and accompanying management comments are posted on WFP's public website dating back to 2013 and in accordance with the [Revised Policy for the Disclosure of Oversight Reports Issued by the Office of the Inspector General](#) (fourth iteration since 2010), which allows for Permanent Representations accredited to WFP to request various reports (e.g., investigations²⁹) from the Inspector General and Oversight Office (OIG), with the OIG providing quarterly updates to the Executive Board since 2017.
74. WFP continues to monitor and regularly report on the status of internal and external oversight recommendations to senior management, the Executive Board, and its advisory bodies, maintaining focus on the timely implementation and closure of agreed actions. The Executive Director and Leadership Team actively track progress, ensuring that oversight findings translate into concrete management actions. Oversight matters are reported

²⁸ Funding gap, fraud and corruption, lack of beneficiary protection and PSEA (new), cybersecurity (new), workforce misalignment, suboptimal employee duty of care, suboptimal operational assurance, digital stagnation, and ineffective adaptation to the new normal.

²⁹ In addition, WFP established [Framework for Vendor Sanctions](#) that provides guidance on the processes for sanctions related to OIG-substantiated investigation cases of fraud, corruption or other proscribed prohibited practices by contracted vendors and non-governmental organizations.

regularly to the Risk Committee, the Independent Oversight Advisory Committee, and the Executive Board through established mechanisms.

75. To increase operational transparency, the CSP data portal provides budgetary, financial and performance information over the life spans of the CSPs or ICSPs, and to ensure that the Executive Board retains required visibility and oversight. At the request of the Executive Board as per the policy on country strategic plans³⁰, all CSPs include a dedicated risk management section.
76. WFP is a leading member of the International Aid Transparency Initiative (IATI), a voluntary multi-stakeholder initiative to increase transparency of development cooperation. In line with IATI transparency commitment, WFP openly publishes monthly in the IATI registry detailed information about WFP programmatic activities, including incoming funds, expenditures, and results (outputs). Since 2015, WFP has been at the top of the IATI summary statistics assessing all IATI publishers (currently more than 1,800) by scoring on three dimensions – timeliness, forward-looking and comprehensiveness. Since 2019, WFP reports to the United Nations System Chief Executives Board for Coordination in full compliance with six out of the seven UN Data Cube financial reporting standards, and WFP is currently progressing the implementation of the seventh standard on the UN Gender Equality Marker. The UN Data Cube is a critical pillar of the Secretary-General's Data Strategy 2020 to increase transparency and promote a data-driven approach within the United Nations system.

Treasury risk management

77. WFP's activities expose it to a variety of financial risks including the effects of changes in debt and equity market prices, foreign currency exchange rates, interest rates, and defaults by debtors in meeting its obligations. WFP's financial risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance of WFP.
78. Financial risk management is carried out by a central treasury function using guidelines set out by the Executive Director who is advised by the WFP Financial Risk Management Committee. Policies cover foreign exchange, interest rate and credit risk, the use of derivative financial instruments, and investing of excess liquidity.
79. WFP investments delivered positive performance for the year as portfolios continued to benefit from high absolute interest rates available in capital markets, a benign growth environment and falling inflation expectations in developed economies. Both short- and long-term investment portfolios saw robust increases in values as global stock and bond markets on the back of investor enthusiasm for artificial intelligence companies and a supportive credit environment in fixed income markets. Looking ahead to 2026, despite recent events in the Middle East adding to forecast uncertainty, investment performance on short term investments is expected to remain positive, albeit at lower levels than in 2025, on the back of current and expected yields in the market. Longer investments may be more impacted given exposures to equity markets and longer-dated bonds.
80. WFP's employee benefit liabilities were USD 1,007.8 million at 31 December 2025. WFP sets aside assets for the long-term employee benefit liabilities in the form of cash and long-term investments (bonds and equities). As at 31 December 2025, the level of assets set aside (USD 1,531.3 million) for the funding of the long-term employee benefit liabilities (USD 952.2 million) represents a 161 percent funding level. This is an increase from the 133 percent funding level in 2024 as the rise in asset value growth outpaced the rise in liabilities.

³⁰ "Policy on Country Strategic Plans" (WFP/EB.2/2016/4-C/1/Rev.1).

81. WFP is committed to mitigating cash-related risks and reinforcing accountability to people, donors, and governments. WFP operations apply robust identity management processes and the cash-based transfers assurance frameworks, which are designed to ensure that the right people are receiving the right assistance at the right time. With these safeguards, WFP strives to prevent the likelihood of fraud, human error, or other irregularities, and to protect beneficiaries while maximizing the effectiveness of its interventions.
82. Controls are implemented throughout the cash-based transfers programme cycle, starting from beneficiary targeting through registration and deduplication, to transfer and reconciliation, with strengthened community feedback mechanisms integrated throughout the process. WFP also conducts due diligence assessments of financial service providers selected by WFP in line with procurement rules, the use of corporate templates for all contracts and agreements, secure payment processes, segregation of duties, and finally, post-distribution monitoring and evaluation to ensure that programme objectives are achieved as intended.
83. The roll-out of assurance frameworks and supporting systems within country offices has further strengthened reconciliation procedures. Insights gained from the roll-out of these assurance measures are integrated into operations across the organization. This approach not only highlights opportunities for cost-efficiency but also identifies and disseminates best practices, thereby supporting continual improvement across WFP's cash-based assistance programmes.

Sustainability

84. WFP's financial statements are prepared on a going-concern basis.
85. In making this determination, I have considered: WFP's mandate as the leading humanitarian organization delivering assistance in emergencies; the availability of existing and foreseeable resources, including any impact on the future funding of WFP's programmes; and WFP's liquidity and obligations position.
86. My statement on a going concern is supported by:
 - i) the projected operational requirements I put forward in the WFP management plan (2026–2028) of USD 13.0 billion for 2026, the provisional implementation plan of USD 7.7 billion, and the 2026 PSA appropriation of USD 380.0 million approved by the Executive Board during its 2025 second regular session;
 - ii) the WFP strategic plan (2026–2029) approved by the Executive Board at its 2025 second regular session;
 - iii) the total assets held at the end of 2025 of USD 12.0 billion, which are five times higher than the total liabilities, reaffirming WFP's ability to meet all outstanding obligations;
 - iv) within the total assets held at the end of 2025, USD 4.6 billion pertains to cash and cash liquidity and short-term investments, reaffirming WFP's strong liquidity position to support operational spending in 2026;
 - v) the fund balances of USD 9.0 billion at the end of 2025, after deducting the USD 1.7 billion deficit generated in 2025 due to the decreased contribution revenue from donors in support of WFP's mandate, carried forward to 2026;
 - vi) and the level of reserves held at the end of 2025 of USD 671.6 million;
 - vii) the total revenue received in 2025 of USD 6.9 billion; and the projected 2026 contribution level of USD 6.0 billion, as indicated in the most recent WFP global contribution forecast.

87. While I am confident that WFP has adequate resources to continue to operate in the short to medium term thanks to the support of donors, resource mobilization is the critical priority that WFP is addressing with its Board and donors. Furthermore, in response to lower funding forecasts, WFP has been proactively taking steps to streamline the organizational structure and bring operational and cost efficiencies through structural reorganization. Across recent years, such measures included workforce downsizing which is expected to continue in 2026, and the new two-layer structure, integrating headquarters, regional offices and global offices into one global headquarters, already fully incorporated in 2026.
88. Overall, the anticipated reduction in projected 2026 funding to USD 6.0 billion poses a continued challenge to WFP's operational capacity in addressing growing food insecurity among vulnerable populations, which is further exacerbated by the geopolitical instability in the Middle East that surges food and energy prices, and is showing a devastating impact on civilians through mass displacement, loss of life, and destruction of essential infrastructure. This complex situation necessitates strategic prioritization, and WFP continuously assesses the early impacts of the conflict on food security and humanitarian aid, adapting and scaling up its emergency operations across the region to meet rising needs.

Administrative matters

89. WFP's principal place of business as well as the names and addresses of its General Counsel, actuaries, principal bankers, and External Auditor are shown in the annex to this document.

Responsibility

90. As required under financial regulation 13.1, I am pleased to submit the following financial statements, which have been prepared under IPSAS. I certify that to the best of my knowledge and information, all transactions during the period have been properly entered in the accounting records and that these transactions together with the following financial statements and notes, details of which form part of this document, fairly present the financial position of WFP at 31 December 2025.

Statement I	Statement of Financial Position at 31 December 2025
Statement II	Statement of Financial Performance for the year ended 31 December 2025
Statement III	Statement of Changes in Net Assets for the year ended 31 December 2025
Statement IV	Statement of Cash Flow for the year ended 31 December 2025
Statement V	Statement of Comparison of Budget and Actual Amounts for the year ended 31 December 2025

Notes to the financial statements

Cindy H. McCain
Executive Director

Rome, 26 March 2026

Executive Director's statement on internal control

Scope and purpose of internal control

1. WFP's Executive Director is accountable to the Executive Board for the administration of WFP and for the implementation of WFP programmes, projects and other activities. Financial Regulation 12.1 requires the Executive Director to establish internal controls, including internal audit and investigation, to ensure the effective and efficient use of WFP's resources and the safeguarding of its assets.
2. WFP defines internal control as a process, effected by WFP's Executive Board, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance³¹. The Statement on Internal Control provides assurance from the Executive Director on the effectiveness of WFP's system of internal control.

WFP's operating environment

3. The humanitarian imperative obliges WFP to respond when needed. This principle exposes WFP to operating environments and situations with a high level of inherent risk, including in terms of the security of its employees and beneficiaries, and, in some cases, the ability to maintain the highest standards of internal control.

Internal control and enterprise risk management frameworks

4. WFP's internal control framework is aligned with guidance issued by the [Committee of Sponsoring Organizations of the Treadway Commission \(COSO\)](#). In accordance with COSO, WFP's system on internal control includes five components: control environment; risk assessment; control activities; information and communication; and monitoring activities.
5. WFP's enterprise risk management framework is aligned with COSO guidance on enterprise risk management, which integrates risk, strategy and performance. [WFP's 2018 enterprise risk management policy](#) aims to establish a pragmatic, systematic and disciplined approach to identifying and managing risks throughout WFP that is clearly linked to the achievement of its strategic objectives.
6. [WFP's accountability and oversight framework](#) sets out the organization's approach to accountability and oversight, providing guidance to functions and offices on their respective responsibilities. It describes the oversight and governance architecture, including the strategic foundation and decision-making structures for effective governance arrangements, Executive Board accountability and oversight frameworks, and related reporting mechanisms.

Review of the effectiveness of internal control

7. Managers within WFP who are responsible for implementing and overseeing internal controls in their areas of responsibility inform an annual review of the effectiveness of WFP's internal controls that considers: feedback from global management as part of the annual Executive Director's Assurance Exercise (EDA), management and independent oversight evidence as available and appropriate.

³¹ Executive Director's Circular on "Internal Control Framework" [OED2015/016](#), 17 September 2015

Significant risk and internal control matters

8. In 2025, WFP implemented a revised approach to the identification and assessment of significant risk and internal control matters, establishing a new baseline for management's evaluation. As a result, year-on-year comparisons with previous reporting periods are not directly applicable. Under this updated methodology, four issues are identified for management's attention, as outlined below.
9. **Cooperating Partner (CP) management.** CP management continues to present control risks, with country offices reporting persistent structural, capacity, and assurance challenges despite incremental progress and extensive guidance. A central risk relates to inadequate CP management structures and accountability arrangements at country office level. WFP continues to face structural constraints in many operating contexts, where local partners have limited financial, administrative and governance capacity. Additionally, WFP's funding constraints have resulted in partner selection driven by cost considerations instead of organizational capacity.
10. Limited skilled CP management staff in country offices heightens the perceived complexity of CP management guidance, processes, and the assurance framework. This capacity gap also worsens challenges with field-level agreement processes and the use of tools such as the UN Partner Portal and Partner Connect, which were flagged as control weaknesses by country offices. Consequently, CP management remains a significant control challenge, self-reported as fourth for NGO partners and seventh for government partners.
11. Findings from multiple oversight bodies reinforce these conclusions, consistently identifying governance, oversight and compliance weaknesses aligned with the risk areas highlighted in the EDA. To address these challenges, WFP advanced key corporate measures to strengthen CP oversight, including updated assurance frameworks, risk informed spot check guidance, revised capacity assessment tools, and the Capacity Strengthening Strategy for Local NGO Cooperating Partners. In parallel, the roll-out of Partner Connect continued to expand, enhancing transparency, oversight and cost-efficiency across operations.
12. **Human Resources (HR) Management.** In 2025, WFP continued to operate under significant funding constraints and organizational realignment, which placed sustained pressure on HR management by constraining workforce planning, segregation of duties and reducing the ability of offices to deliver planned assurance activities. According to the 2025 EDA, HR management was identified as the second most significant control challenge, underscoring the material impact of sustained budgetary pressure and organizational change on the effectiveness of this control area.
13. Most EDA respondents highlighted that significant funding reductions alongside corporate efficiency measures³², including extended hiring freezes, resulted in reduced staffing levels and workload concentration. In some contexts, these conditions limited the implementation of the Staffing Framework and constrained offices' ability to sustain critical roles, in particular technical profiles and leadership roles.
14. Offices also reported persistent recruitment challenges, with difficulties attracting and recruiting qualified candidates linked to funding availability and duty station conditions. In some locations, these challenges further affected operational continuity and increased the risk of control gaps, despite reliance on practical measures such as acting

³² HR efficiency measures remained operational for the majority of 2025 and were only lifted for country offices towards the end of the reporting year. This was communicated on 1 December 2025 by the AED of Workplace and Management Department, allowing approvals related to recruitment, duty travel, procurement, workshops, and facility-related processes to revert to normal guidelines, under the guidance of the Country Director.

- arrangements and Officers-in-Charge, internal reassignments, rosters for key roles and temporary duty assignments (TDYs).
15. System and process complexities and challenges in Workday were also reported, including limited integration with WINGS and PASport, resulting in inefficiencies in HR data processing, requiring compensating controls.
 16. To mitigate these risks and strengthen controls, WFP advanced a wide range of workforce planning and capability building measures. During the year, the organization completed 20 Strategic Workforce Planning exercises and 50 Organizational Alignment exercises, helping offices better align structures and staffing with operational needs. Efforts to reinforce succession planning for senior leadership and expand supervisory and leadership development initiatives were also accelerated. In parallel, WFP broadened employee support offerings and developed talent pools and rosters to promote retention and recognize critical expertise. The organization additionally implemented measures to manage workforce reductions and transitions, including recruitment pauses, agreed separations and targeted reassignment exercises.
 17. **Risk Management.** Risk management emerged as the most self-reported control challenge in the 2025 EDA. This reflects both capacity constraints and the organization's responsibility to maintain effective risk and assurance practices across diverse and high-risk operating environments. These demands, combined with multiple assurance and reporting requirements, also contribute to oversight fatigue in some offices, underscoring the need for proportionate, risk-based expectations that reinforce accountability while remaining feasible within existing available resources.
 18. While most offices maintain core risk management practices, the extent to which these are used to anticipate, monitor and respond to risk in a structured and timely way remains uneven. Tools such as Risk Registers, Fraud Risk Assessments and Business Continuity Plans are intended to give offices a clear picture of their exposure, highlight where controls need strengthening and help ensure continuity of critical operations. However, gaps in updating and follow up, limited use of risk information in routine decision-making and challenges in tracking mitigation actions and oversight recommendations indicate that these practices are not yet fully embedded across all contexts. Segregation of duties challenges remain prevalent, particularly in smaller or transitioning offices further underscoring the need for practical, risk informed approaches. These challenges highlight the need for stronger ownership of risk, more systematic follow-up, and more reliable information to support timely management decisions.
 19. To address these challenges, WFP continued to strengthen its risk management framework through progressive updates of the Enterprise Risk Management policy and Framework for Management Oversight; expanded use of centralized operational risk information to inform decision making; and clearer guidance on the risk management lifecycle and escalation protocols. At the same time, WFP is taking steps to reduce oversight fatigue by aligning expectations with risk levels, simplifying guidance where possible, and promoting more coordinated and risk-based oversight. Targeted capacity building and technical support to offices with limited risk management capability, as well as the rollout of new R2 modules are expected to improve accessibility, integration and real-time monitoring, reinforcing a more coherent and sustainable corporate approach.
 20. **Procurement.** Procurement processes continue to face control challenges driven by supplier capacity constraints, change-management pressures and system implementation challenges. Persistent capacity constraints within the supplier base, combined with broader market constraints, continue to influence the ability of some offices to consistently meet WFP's competition standards. These factors have contributed to weaknesses in waiver governance, sub-optimal sourcing decisions, and the continued parallel use of legacy

systems. Staffing constraints within procurement teams have also affected the effectiveness and efficiency of procurement processes. Findings from oversight bodies reinforce these observations, independently and consistently identifying governance, oversight and control weaknesses aligned with the challenges reported through the EDA.

21. The procurement function continued actively working to stabilize Smart Sourcing and strengthen user support; although early-stage implementation issues and funding shortages have affected progress and extended the timeline for full stabilization. This is echoed by EDA respondents highlighting technical challenges with the roll-out, together with weaknesses in procurement planning and alignment with operational requirements.
22. At the corporate level, WFP is expanding the use of analytics to enhance oversight and control monitoring, encouraging more systematic use of the supplier performance evaluation tool to inform sourcing decisions. WFP is also advancing efforts to better align procurement strategies with vendor onboarding processes, while also supporting operations in the gradual phase-out of legacy systems and in strengthening procurement and demand-planning capacities.

Statement

23. All internal controls have inherent limitations – including the possibility of circumvention – and therefore WFP can provide only reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. Further, because of changing conditions, the effectiveness of internal controls may vary over time.
24. Based on the above, I consider, to the best of my knowledge and information, that WFP operated a satisfactory system of internal control for the year ended 31 December 2025 in line with the [May 2013 COSO Internal Control – Integrated Framework](#).
25. WFP is committed to addressing the internal control and risk management issues identified above as part of the continuous improvement of its system of internal control. These actions will strengthen the overall reliability and maturity of WFP's internal control environment.

Cindy McCain
Executive Director

Rome, 10 April 2026

WORLD FOOD PROGRAMME
STATEMENT I
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

(USD million)

	Note	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2.1	2 004.3	2 849.4
Short-term investments	2.2	2 593.2	2 249.1
Contributions receivable	2.3	4 065.3	5 245.3
Inventories	2.4	703.9	1 044.1
Other receivables	2.5	348.6	352.6
		9 715.3	11 740.5
Non-current assets			
Contributions receivable	2.3	95.1	189.5
Long-term investments	2.6	1 552.9	1 316.8
Property, plant and equipment	2.7	280.7	270.6
Intangible assets	2.8	26.4	25.9
Right-of-use assets	2.9	366.1	-
Other receivables	2.5	1.1	-
		2 322.3	1 802.8
Total assets	2.16	12 037.6	13 543.3
Liabilities			
Current liabilities			
Payables and accruals	2.10	906.9	1 148.3
Deferred revenue	2.11	24.7	13.9
Provisions	2.12	7.0	7.0
Employee benefits	2.13	55.6	52.7
Loan	2.14	5.5	5.6
Lease liabilities	2.15	135.5	-
		1 135.2	1 227.5
Non-current liabilities			
Deferred revenue	2.11	15.1	10.7
Provisions	2.12	1.5	-
Employee benefits	2.13	952.2	976.2
Loan	2.14	27.3	32.9
Lease liabilities	2.15	235.4	-
		1 231.5	1 019.8
Total liabilities		2 366.7	2 247.3
Net assets		9 670.9	11 296.0
Fund balances and reserves			
Fund balances	2.17	8 999.3	10 502.5
Reserves	2.17	671.6	793.5
Total fund balances and reserves		9 670.9	11 296.0

The accompanying notes form an integral part of these financial statements.

Cindy McCain
Executive Director

Wendy Bigham
Chief Financial Officer, a.i.
Rome, 26 March 2026

WORLD FOOD PROGRAMME
STATEMENT II
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2025
(USD million)

	Note	2025	2024
Revenue			
Monetary contributions	3.1	5 896.6	9 156.4
In-kind contributions	3.2	158.4	638.8
Currency exchange differences	3.3	166.4	(43.5)
Return on investments	3.4	448.5	330.1
Other revenue	3.5	255.5	291.3
Total revenue		6 925.4	10 373.1
Expenses			
Cash-based transfers distributed	4.1	2 170.4	2 160.8
Commodities distributed	4.2	2 207.5	2 372.9
Distribution and related services	4.3	1 052.1	1 138.5
Contracted and other services	4.4	957.7	1 260.2
Staff costs	4.5	1 157.9	1 111.8
Affiliated workforce costs	4.5	383.0	414.4
Supplies, consumables and other running costs	4.6	303.7	303.4
Depreciation and amortization	4.7	236.5	69.1
Travel costs	4.7	80.2	132.4
Finance costs	4.7	33.2	15.4
Other expenses	4.7	77.1	61.6
Total expenses		8 659.3	9 040.5
Surplus (deficit) for the year		(1 733.9)	1 332.6

The accompanying notes form an integral part of these financial statements.

WORLD FOOD PROGRAMME
STATEMENT III
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2025
(USD million)

Note	Accumulated surplus/fund balances	Surplus (deficit)	Reserves	Total net assets
Total net assets at 31 December 2024	9 169.9	1 332.6	793.5	11 296.0
Allocation of the surplus for 2024	1 332.6	(1 332.6)	-	-
Movements in fund balances and reserves in 2025				
Transfer from/to reserves	2.17 121.9	-	(121.9)	-
Net unrealized losses on investments	2.6/2.17 (5.9)	-	-	(5.9)
Actuarial gains on employee benefit liabilities	2.13 114.7	-	-	114.7
Deficit for the year	7.2 -	(1 733.9)	-	(1 733.9)
Total movements during the year	230.7	(1 733.9)	121.9	(1 625.1)
Total net assets at 31 December 2025	10 733.2	(1 733.9)	671.6	9 670.9
Total net assets at 31 December 2023				
Allocation of the deficit for 2023				
	(1 740.7)	1 740.7	-	-
Movements in fund balances and reserves in 2024				
Transfer from/to reserves	2.17 (134.5)	-	134.5	-
Net unrealized losses on investments	2.6/2.17 (16.1)	-	-	(16.1)
Actuarial gains on employee benefit liabilities	2.13 64.8	-	-	64.8
Surplus for the year	7.2 -	1 332.6	-	1 332.6
Total movements during the year	(85.8)	1 332.6	134.5	1 381.3
Total net assets at 31 December 2024	9 169.9	1 332.6	793.5	11 296.0

The accompanying notes form an integral part of these financial statements.

WORLD FOOD PROGRAMME
STATEMENT IV
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2025
(USD million)

	Note	2025	2024
Cash flows from operating activities:			
(Deficit) surplus for the year		(1 733.9)	1 332.6
Adjustments to reconcile (deficit) surplus to net cash flows from operating activities			
	2.7/2.8		
Depreciation and amortization	/2.9	236.5	69.1
Unrealized (gain) on long-term investments	2.6	(171.6)	(11.0)
(Increase) in amortized value of long-term investments	2.2/2.6	(1.7)	(2.1)
(Decrease) in amortized value of long-term loan	2.14	(0.3)	(0.3)
Interest expense on long-term loan	2.14	1.1	1.3
Interest portion received from finance subleases	2.5	0.1	-
Net loss on lease modifications	2.15	0.3	-
Adjustment to opening balances on lease liabilities recognition	2.15	163.2	-
Decrease in inventories	2.4	340.2	247.5
(Increase) decrease in contributions receivable	2.3	1 274.4	(1 089.6)
(Increase) decrease in other receivables	2.5	6.9	(12.0)
Property, plant and equipment (donated in-kind)	2.7	5.4	0.2
(Decrease) increase in payables and accruals	2.10	(241.4)	243.4
(Decrease) increase in deferred revenue	2.11	15.2	(5.9)
(Decrease) in provisions	2.12	(1.1)	(10.8)
Increase in employee benefits net of actuarial gain/loss on post-employment benefits	2.13	93.6	78.2
Net cash flows from operating activities		(13.1)	840.6
Cash flows from investing activities:			
(Increase) in short-term investments	2.2	(332.1)	(479.4)
(Increase) in accrued interest receivable	2.6	(2.9)	(3.4)
(Increase) in long-term investments	2.7	(78.5)	(149.7)
(Increase) in property, plant and equipment	2.8	(244.3)	(76.7)
(Increase) in intangible assets	2.9	(8.2)	(11.2)
Net cash flows from investing activities		(666.0)	(720.4)
Cash flows from financing activities:			
Interest paid on loan	2.14	(1.1)	(1.3)
Repayment of annual principal on loan	2.14	(5.3)	(5.3)
Repayment of principal portion of lease liability	2.15	(157.3)	-
Net cash flows from financing activities		(163.7)	(6.6)
Net increase (decrease) in cash and cash equivalents		(842.8)	113.6
Cash and cash equivalents at beginning of the year	2.1	2 849.4	2 735.0
Unrealized gains (losses) on cash equivalents in net assets/equity		(2.2)	0.8
Cash and cash equivalents at end of the year	2.1	2 004.3	2 849.4

The accompanying notes form an integral part of these financial statements.

WORLD FOOD PROGRAMME
STATEMENT V
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS¹
FOR THE YEAR ENDED 31 DECEMBER 2025
(USD million)

Note	Budget amount		Actual on comparable basis ⁴	Difference: final budget and actual	Implementation plan ⁵
	Original budget ²	Final budget ³			
6					
CSP costs					
Strategic outcome 1 - People are better able to meet their urgent food and nutrition needs	10 238.6	10 041.0	4 701.7	5 339.3	5 658.3
Strategic outcome 2 - People have better nutrition, health and education outcomes	2 120.6	1 734.8	814.5	920.3	1 070.9
Strategic outcome 3 - People have improved and sustainable livelihoods	1 324.6	1 196.7	623.9	572.8	725.1
Strategic outcome 4 - National programmes and systems are strengthened	450.5	429.8	180.1	249.7	230.8
Strategic outcome 5 - Humanitarian and development actors are more efficient and effective	1 086.9	936.7	648.6	288.1	658.5
Direct support costs	671.3	699.6	463.9	235.7	523.6
Subtotal CSP costs	15 892.5	15 038.6	7 432.7	7 605.9	8 867.2
PSA costs	480.0	480.0	432.3	47.7	432.3
Critical corporate initiatives	47.4	66.9	55.4	11.5	66.9
Subtotal indirect costs	527.4	546.9	487.7	59.2	499.2
Total	16 419.9	15 585.5	7 920.4	7 665.1	9 366.4

The accompanying notes form an integral part of these financial statements

¹ Prepared on a commitment basis. Commitments represent possible future liabilities based on a current contractual agreement and include outstanding purchase orders and contracts where goods and services have not yet been received.

² The original budget includes the operational requirements, PSA appropriation and allocation of critical corporate initiatives that are presented to the Executive Board in the WFP management plan prior to a start of each year and in the updates to management plan during the year, if such are issued.

³ The final budget represents approved operational needs as of 31 December of the reporting year.

⁴ Comparable basis means the actual amounts presented on the same accounting basis, same classification basis, for the same funds and the same period as the approved budget.

⁵ The implementation plan represents the prioritized operational needs for approved CSPs, derived from the final budget, considering funding forecasts, available resources and operational challenges as of 31 December 2025.

Notes to the financial statements at 31 December 2025

Note 1: Accounting policies

Reporting entity

1. WFP was established in 1961 by the United Nations General Assembly and the Conference of the FAO as the United Nations system's food aid organization. The purposes of WFP are a) to use food aid to support economic and social development; b) to meet refugee and other emergency and protracted relief food needs; and c) to promote world food security in accordance with the recommendations of the United Nations and FAO.
2. WFP is governed by a 36-member Executive Board that provides intergovernmental support, direction and supervision of WFP's activities. The organization is headed by an Executive Director, who is appointed jointly by the United Nations Secretary-General and the Director-General of FAO.
3. WFP has its headquarters in Rome, Italy. During 2025, WFP provided assistance in 120 countries and territories.
4. The financial statements comprise the operations of WFP. Jointly controlled entities are disclosed in note 11.

Basis of preparation

5. The financial statements of WFP have been prepared on the accrual basis of accounting in accordance with the IPSAS using the historic cost convention, modified by the inclusion of investments at fair value. Where an IPSAS does not address a particular issue, reference is made to the relevant pronouncement of other standard setting bodies, such as the International Accounting Standards Board.
6. The financial statements have been prepared on a going-concern basis. This assessment is based on approved budget, funding forecast, net assets available and the on-going relevance of WFP's mandate.
7. The cash flow statement (Statement IV) is prepared using the indirect method.
8. The functional and reporting currency of WFP is the United States dollar. Transactions in currencies other than the United States dollar are translated into United States dollars at the prevailing United Nations operational rates of exchange at the time of transaction. Assets and liabilities in currencies other than United States dollars are translated into United States dollars at the prevailing United Nations operational rates of exchange year-end closing rate. Resulting gains or losses are accounted for in the Statement of Financial Performance.

Adoption of new standards in 2025

IPSAS 43, Leases

9. In January 2022, the IPSAS Board issued IPSAS 43, *Leases* to replace IPSAS 13, *Leases*. The effective date of IPSAS 43 is 1 January 2025, which is the date when WFP adopted it.
10. The key changes introduced by IPSAS 43 impacted lessee accounting consisted of removal of previously required classification of leases as either finance or operating leases, and requirement to recognize assets (right-of-use assets) and liabilities (lease liabilities) for rights and obligations created by leases. A lease is defined by IPSAS 43 as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange of consideration.

11. The right-of-use asset is initially measured at cost, which comprise the amount of initial measurement of lease liability, any initial direct costs, and an estimate of costs to be incurred for dismantling or removing the underlying asset or restoring it to the conditions required by the terms of the lease contract.
12. The lease liability is initially measured as the present value of future lease payments, discounted using an interest rate implicit in the lease, or if not readily available, the lessee's incremental borrowing rate. WFP uses the latter for discounting of future lease payments. Lease payments included in the measurement of lease liability consist of fixed payments, variable payments that depend on index or rate, and other costs if such are envisaged in the lease contracts related to termination penalties, exercise price for purchase option, and any amounts payable by the lessee under the residual value guarantees.
13. A depreciation expense on the right-of-use asset and interest expense on the lease liability are recognized in Statement II of Financial Performance.
14. IPSAS 43 included several ongoing and transitional provisions, which WFP has elected to adopt. The ongoing provisions include:
 - a) exemption from recognition, measurement, and presentation requirements, save minimum disclosure, for exempted short-term leases defined as less or equal to 12 months duration;
 - b) exemption from recognition, measurement, and presentation requirements, save minimum disclosure, for exempted low-value leases determined by WFP as those below or equal to USD 5,000;
 - c) rental expenses for exempted short-term leases and low-value leases are recognized as incurred in Statement II of Financial Performance as incurred.
15. The transitional provisions on the adoption of IPSAS 43 include:
 - a) application of the standard to contracts previously identified as leases under IPSAS 13;
 - b) application of the standard retrospectively with cumulative effect of initial application recognized at the date of initial application on 1 January 2025 without restating comparatives, by recognizing the right-of-use asset equal to the lease liability, measured at present value of future lease payments and adjusted for prepaid and accrued payments recognized in the financial statements on 31 December 2024;
 - c) use of IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets, as of 31 December to determine onerous leases and offset any onerous lease provision existing at that date against the right-of-use asset;
 - d) application the short-term exemption for leases with a remaining term of less than 12 months as of 1 January 2025, as well as low-value exemption upon transition;
 - e) exclusion of initial direct costs from the right-of-use asset measurement at the transition date, and;
 - f) use of hindsight on the transition date, such as in determining the lease term, if the contract contains options to extend or terminate a lease.
16. The table below summarizes the impact on the financial statements resulting from the new standard adoption.

Statement of financial position	1 January 2025 (USD million)
Right-of-use (ROU) asset, beginning 1 January 2025	359.1
Lease liability, current portion, beginning 1 January 2025	133.5
Lease liability, non-current portion, beginning 1 January 2025	219.8
2025 cash payments for the principal portion of the lease liability	157.3
2025 cash payments for the interest portion	14.7
WFP as a sub-lessor	
Net investment in sub-lease, current portion, beginning 1 January 2025	0.2
Net investment in sub-lease, non-current portion, beginning 1 January 2025	1.2
Statement of Financial Performance	
WFP as a lessee	
2025 interest expense lease liability	20.9
Exempt leases	132.7 ¹
Variable lease payments not included in the measurement of lease liabilities	20.0
WFP as a sub-lessor	
2025 interest revenue from finance subleases	0.1

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations

17. In May 2022, the IPSAS Board issued IPSAS 44, *Non-current Assets Held for Sale and Discontinued Operations*. The effective date of IPSAS 44 is 1 January 2025, which is the date when WFP adopted it.
18. A non-current asset (or disposal group) is classified as held for sale when its carrying amount is recovered through a sale transaction rather than through a continuing use, the asset must be available for immediate sale in its present condition and subject to customary terms, and the sale is highly probable. IPSAS 44 requires measuring a non-current asset held for sale at the lower of its carrying amount and fair value less costs to sell. Once classified as held for sale the asset is no longer depreciated or amortized. Classified as held for sale assets must be presented separately from other assets in Statement I of Financial Position.
19. A discontinued operation comprises a separate major line of business or geographical area of operation, for which operations and cash flows can be clearly distinguished operationally and for financial reporting purposes, that is part of a single coordinated plan to dispose of, and that either has been disposed of or is classified as held for sale. An entity must disclose a single surplus or deficit amount of discontinued operations in Statement II of Financial Performance.
20. WFP reviewed IPSAS 44 and concluded that none of its non-current assets meet the criteria to be classified as assets held for sale.

¹ USD 46.7 million capitalized under Transport cost in Inventories in Statement I of Financial Position.

21. In 2025, WFP conducted a Global Footprint Review of the countries where it implements its programmes. This periodic exercise ensures that WFP's operational footprint remains aligned with its mandate, relevance, and financial sustainability. As a result of the review, several WFP country offices (Cape Verde, Moldova, The Democratic People's Republic of Korea, Eritrea, and Tunisia) will be transitioning to a non-resident agency status. The transitioning of those countries is ongoing with the expectation of completion during 2026. Relevant disclosures will be included in WFP's 2026 financial statements.

IPSAS 45, Property, Plant, and Equipment

22. In May 2023, the IPSAS Board issued IPSAS 45, *Property, Plant, and Equipment* to replace IPSAS 17, *Property, Plant, and Equipment*. It is effective on January 1, 2025, on which date WFP adopted it.
23. IPSAS 45 brings heritage and infrastructure assets fully within its scope, requiring their recognition if they meet asset definition and recognition criteria (resource, control, past event, probable service potential, reliable measurement).
24. The characteristics of heritage assets include their restrictions on use or disposal, irreplaceability, long and often indefinite useful lives, rarity, cultural, historical, artistic significance, and preservation for future generations. The infrastructure assets are a subset of property, plant, and equipment with typical characteristics of being networks or systems that serve the community at large, with long useful lives, because their components are continually maintained, replaced and refurbished, like electricity transmission networks, road networks, and water systems. The review conducted by WFP concluded that there are currently no assets held that meet the definition of heritage or infrastructure assets, except the Nobel Prize awarded to WFP on 9 October 2020 for its efforts to combat hunger, for its contribution to bettering conditions for peace in conflict-affected areas and for acting as a driving force in efforts to prevent the use of hunger as a weapon of war and conflict.
25. WFP received a medal of 18 carat recycled gold, a diploma on specially ordered handmade paper, and a monetary award of 10 million Swedish krona (approximately USD 1.1 million). The Nobel Prize is significant for its contribution to the delivery of WFP's objectives. WFP concluded that its Nobel Prize meets the definition of a heritage asset but does not meet the criteria for measurement. None of the required approaches for determining the acquisition-date fair value of an intangible asset obtained through a non-exchange transaction can be applied. The market approach is not feasible because no market exists for Nobel Prizes, and there are no market participants for an award that is granted to a single entity and cannot be assigned, transferred, or otherwise conveyed. The cost approach is also not appropriate for this type of asset. The income approach assumes the presence of identifiable future economic benefits attributable to the intangible asset; however, the Nobel Prize does not generate such benefits. Applying the income approach would result in recognizing fair value arising from internally generated goodwill, which is prohibited under IPSAS.
26. IPSAS 45 requires the use of deemed cost when property, plant, and equipment assets are acquired through non-market transactions, such as donations. For WFP, this results in no material difference from fair value, as donated assets are typically new and reflect the same market conditions at initial recognition.
27. For subsequent measurement of property, plant, and equipment assets, IPSAS 45 allows entities to choose historical cost or current value. WFP opted to retain historical cost measurement because the current value cannot be measured reliably for short-lived, rapidly changing assets like IT equipment and vehicles, and would not improve understandability or comparability. Current valuation of buildings would also not align with users' expectations or the regulatory context in which WFP operates.

IPSAS 46, Measurement

28. In May 2023, the IPSAS Board issued IPSAS 46, *Measurement*, effective date on 1 January 2025.
29. IPSAS 46 is a framework standard that defines measurement bases for assets and liabilities. It provides guidance on commonly used measurement bases, clarifies fair value, and introduces current operational value—a public-sector-specific current value. These approaches are applied through individual IPSAS standards that require or allow the measurement bases defined in IPSAS 46, such as in case of IPSAS 45 explained above.

Use of estimates and judgements

30. The preparation of the financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, and information available at the date of preparation of the financial statements, the results of which form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and any future periods affected.
31. Significant estimates and assumptions that may result in material adjustments in future periods include actuarial measurement of employee benefits; impairment of assets; selection of useful lives and the depreciation/amortization method for property, plant and equipment/intangible assets; determination of lease term duration and incremental borrowing rate used in measurement of lease liability and right-of-use assets; inventory replacement cost, provisions and contingent liabilities.

New and revised accounting standards not yet effective

32. WFP follows IPSAS Board new pronouncements, assesses their relevance and impact on WFP's accounting policies and procedures, and adopts new IPSAS standards based on their relevance, and in line with the standards effective implementation dates as prescribed by the IPSAS Board. The following new standards and exposure drafts are of relevance for WFP.
33. In May 2023, the IPSAS Board issued IPSAS 47, *Revenue*, covering revenue with performance obligations and revenue without performance obligations, to replace IPSAS 9, *Revenue from exchange transactions* and IPSAS 23, *Revenue from non-exchange transactions (taxes and transfers)*, and IPSAS 11, *Construction contracts*. It also issued IPSAS 48, *Transfer expenses*. The effective date of both standards is 1 January 2026, and WFP will implement both standards in line with their effective date.
34. In October 2024, the IPSAS Board issued *Concessionary Leases and Other Arrangements Conveying Rights over Assets* (with amendments to IPSAS 43, IPSAS 47, and IPSAS 48), effective on 1 January 2027, with early application permitted. The impact for WFP will concern concessionary leases and leases with no consideration, and all required amendments will be implemented by WFP in line with their effective date.
35. In August 2025, the IPSAS Board issued *Amendments to IPSAS Standards as a Result of the Application of IPSAS 46, Measurement*, effective on 1 January 2028. This pronouncement introduced current operational value to IPSAS 12, *Inventories* and to IPSAS 21, *Impairment of Non-Cash Generating Assets*, and added a definition of accounting estimates in IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors* aligned with IPSAS 46

terminology. WFP will review all introduced amendments and implement them as applicable in line with their effective dates.

36. In October 2025, the IPSAS Board issued *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and Conceptual Framework), effective on 1 January 2027. No material impact of these amendments is anticipated for WFP.
37. On 29 January 2026, the IPSAS Board issued first public standard IPSAS SRS 1, Climate-related Disclosures, effective on 1 January 2028. The standard requires public sector entities to disclose information about climate-related risks and opportunities that may affect their long-term fiscal sustainability. WFP will be assessing the requirements of the newly issued standard.

Cash and cash equivalents

38. Cash and cash equivalents comprise cash on hand, cash at banks, money market and short-term deposits with maturity of three months or less, including those managed by investment managers.
39. Investment revenue is recognized as it accrues, taking into account the effective yield.

Financial instruments

40. Financial instruments are recognized when WFP becomes a party to the contractual provisions of the instrument until such time as the rights to receive cash flows from those assets have expired or have been transferred and WFP has transferred substantially all the risks and rewards of ownership.
41. Financial instruments are classified based on two criteria: i) WFP's management model for financial assets and ii) the contractual cash flow characteristics of the financial asset. Depending on the criteria, financial assets are subsequently measured at amortized cost, fair value through net assets/equity, or fair value through surplus or deficit.
42. Financial assets at amortized cost are initially measured at fair value plus any directly attributable transaction costs and subsequently at amortized cost reduced by any impairment losses. These comprise contributions receivable in cash, other receivables, cash at bank and the United States Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS) held within the long-term investment portfolio. The management model is to hold these financial assets to collect contractual cash flows, and their contractual terms give rise solely to payments of principal and interest (SPPI).
43. Financial assets at fair value through net assets/equity are initially measured at fair value plus any directly attributable transaction costs. They are subsequently carried at fair value, with value changes, other than foreign exchange gains and losses and impairment, recognized in the Statement of Changes in Net Assets. Gains and losses are reclassified from net assets to surplus or deficit when the assets are derecognized. These assets comprise cash equivalents (except money market funds), short-term investments representing liquidity portfolios and debt instruments (bonds) held as long-term investments and designated as employee benefit funds. The objective of the management model for these assets is achieved by both collecting contractual cash flows and selling and their contractual terms give rise to SPPI.
44. Financial assets at fair value through surplus or deficit are initially measured at fair value and any gains or losses arising from subsequent changes in the fair value are accounted for through surplus or deficit and included in the Statement II of Financial Performance in the period in which they arise. These include money market funds, equity open-ended investment funds designated as employee benefit funds and derivative assets (forward contracts). The contractual terms of these assets do not give rise to SPPI.

45. While both debt instruments (bonds) and equity open-ended investment funds are designated as employee benefit funds and as such are part of the same management model, equity investment funds could not be classified as at fair value through net assets/equity as they do not meet SPPI test and such classification is not allowed.
46. All non-derivative financial liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.
47. As required by IPSAS 41, WFP recognizes expected credit losses (ECLs) on financial assets measured at amortized cost and financial assets measured at fair value through net assets/equity. ECLs are probability-weighted estimated amounts of credit losses. Credit losses are measured as the present value of all cash shortfalls i.e., the difference between the cash flows due to WFP in accordance with the agreement and the cash flows that WFP expects to receive. The model for recognizing ECL is a forward-looking model that requires recognizing ECLs from day one. WFP measures loss allowances on its financial assets, except contribution receivable and other receivables, at an amount equal to 12-month ECL or lifetime ECL if credit risk on that financial instrument has increased significantly since initial recognition. Twelve-month ECL is the portion of lifetime ECL that represents the ECL that result from default events that are possible within the 12 months after the reporting date. Loss allowances for contributions receivable and other receivables are measured by WFP at an amount equal to lifetime ECLs, in accordance with the 'simplified approach' of IPSAS 41.

Inventories

48. The vast majority of WFP's inventory are food commodities held for distribution to beneficiaries. Inventories also include non-food items held at various storage facilities.
49. Food commodities and non-food items on hand at the end of the financial period are recorded as inventories and are valued at cost or current replacement cost, whichever is lower. The cost of food commodities includes purchase cost or fair value² if donated in-kind and all other costs incurred in bringing the food commodities into WFP's custody at their point of first entry into a recipient country. In addition, any significant costs of conversion such as milling, or bagging are included. The cost is determined on the weighted average basis.
50. Under the legal framework in which WFP operates, legal title of food commodities normally passes to the recipient country government at their point of first entry into a recipient country where they become distributable. Although legal title may have passed for those food commodities held in warehouses in recipient countries, WFP records these commodities as inventories where WFP retains control.
51. Cost of other inventories includes all costs of purchase and all other costs of bringing the items to strategic storage depots or delivery direct to a recipient country.
52. Where inventories or elements of their cost are acquired through a non-exchange transaction, their cost is measured at their fair value as at the date of acquisition.
53. Inventories are valued net of any impairments. An allowance for impairment is made for possible loss or damage to inventories under WFP's custody.

² Indicators of the fair value for food commodities donated in-kind include world market prices, the Food Assistance Convention price and the donor's invoice price.

Contributions receivable

54. WFP recognizes a contribution receivable when, by the reporting date, it has entered into a binding arrangement in writing with a donor, the donor has obtained all the appropriation approvals that are required under its jurisdiction, the inflow of future economic benefits or service potential is probable, and WFP can reliably measure the funds to be transferred.
55. Contributions receivable are presented net of allowance for impairment and allowance for estimated reduction in contribution revenue. WFP discounts its contributions receivable pertaining to future years, using the prevailing market rates of interest for similar instruments with a similar credit rating (a discount rate that reflects the risk inherent in holding the asset).
56. In-kind contribution receivables of services that directly support approved operations and activities, which have budgetary impact, and can be reliably measured, are recognized when confirmed in writing by donors, and valued at fair value. These contributions include use of premises, utilities, transport, and personnel.
57. In-kind contribution receivables for donated property, plant and equipment and intangible assets are recognized as property, plant, and equipment or intangible assets and contribution revenue when confirmed in writing by donors and are valued at fair value.

Property, plant and equipment

58. Property, plant and equipment are measured initially at cost. Subsequently, property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.
59. Costs consist of asset purchase price and any other directly attributable costs of bringing the asset to working condition for its intended use. Borrowing costs, if any, are not capitalized. Donated property, plant and equipment are valued at fair value and recognized as property, plant and equipment and contribution revenue.
60. Individual items of property, plant and equipment are capitalized if their cost is greater or equal to the threshold limit set at USD 5,000. The threshold is reviewed periodically.
61. Leasehold improvements are recognized as assets, valued at cost and depreciated over the lesser of remaining useful life of the improvements or the lease term.
62. Depreciation is provided for property, plant and equipment over their estimated useful life using the straight-line method, except for land, which is not subject to depreciation. The estimated useful life for property, plant and equipment classes is as follows:

Class	Estimated useful life (years)
Buildings	
Permanent	40
Temporary	5
Computer equipment	3
Other equipment	3
Solar power systems	10
Office fixtures and fittings	5
Motor vehicles	
Light	5
Heavy and armoured	8
Workshop equipment	3

63. Impairment reviews are undertaken for all assets at least annually.

Intangible assets

64. Intangible assets are resources without physical substance controlled by WFP. They mainly consist of software acquired externally or internally developed and rights. Intangible assets are recognized when it is probable that the expected future economic benefits attributable to the asset will flow to WFP, and the cost of the asset can be measured reliably. Software as a Service (SaaS), cloud computing arrangement and customization to underlying software are only capitalized where it grants WFP substantive control over software or customized software functionality, and WFP derives substantially all its economic benefits.

65. Intangible assets are measured initially at cost. Subsequently, intangible assets are carried at historical cost less accumulated amortization and any impairment losses. Donated intangible assets are valued at fair value and recognized as intangible assets and contribution revenue.

66. Intangible assets are capitalized if their cost exceeds the threshold of USD 5,000 except internally generated software, where the threshold is USD 100,000. The capitalizable value of internally generated software excludes those costs related to research and maintenance costs. The development cost of cloud-based software as a service is expensed as incurred when the solutions implemented do not meet the criteria to be considered assets.

67. Amortization is provided over the estimated useful life using the straight-line method. The estimated useful life for intangible asset classes is as follows:

Class	Estimated useful life (years)
Internally generated software	6
Externally acquired software	3
Licences and rights, copyrights and other intangible assets	3

Employee benefits

68. WFP recognizes the following categories of employee benefits:

- short-term employee benefits;
- post-employment benefits;
- other long-term employee benefits; and
- termination benefits.

69. Short-term employee benefits are those that are due to be settled within 12 months after the end of the period in which an employee renders the related service. They consist of annual leave and education grants. Short-term employee benefit liabilities include incurred but not paid amounts related to all benefit plans. Except benefits incurred but not paid, which are measured by actuary, short-term employee benefits are measured by WFP at nominal value.

70. Post-employment benefits are those payable after completion of employment or separation from employment, excluding termination payments. They are defined benefit plans consisting of after-service medical plans (ASMPs), the separation payment scheme and the compensation plan reserve fund. Post-employment benefits are measured by professional actuaries on the basis of actuarial assumptions, using the projected unit credit method. The

actuarial gains or losses on post-employment benefits are recognized in the Statement of Changes in Net Assets.

71. Other long-term employee benefits are those that do not fall due wholly within 12 months after the end of the period in which employees provide the related service. They consist of home leave travel and other separation-related benefits such as accrued leave, death grants, repatriation grants and repatriation travel and removal expenses. Except home leave travel, other long-term employee benefits are measured by professional actuaries on the basis of actuarial assumptions, using the projected unit credit method. The actuarial gains or losses on other long-term employee benefits are recognized in the Statement of Financial Performance.
72. Termination benefits are recognized as an expense only when WFP is demonstrably committed, without realistic possibility of withdrawal, to either terminating the employment of a staff member before the normal retirement date or to providing termination benefits as a result of an offer made to encourage voluntary redundancy and when WFP recognizes restructuring costs that involve the payment of termination benefits.

United Nations Joint Staff Pension Fund

73. WFP is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF or the Fund), which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified by Article 3 (b) of the regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.
74. The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. WFP and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify WFP's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence WFP has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, *Employee Benefits*. WFP's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

Provisions and contingent liabilities

75. Provisions are made for future liabilities and charges where WFP has a present legal or constructive obligation as a result of past events, and it is probable that WFP will be required to settle the obligation.
76. Other material commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of WFP.

Contingent assets

77. Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within WFP's control. Contingent assets are disclosed when their occurrence is probable.

Contribution revenue

78. Revenue from contributions (monetary and in-kind) arises from a non-exchange transaction, whereby resources are received by WFP without directly giving approximately equal consideration in return to the donor. WFP recognizes contribution revenue once it has met the requirements for asset recognition and it has discharged any present obligation recognized as a liability in respect of that transferred asset. For contributions where WFP has a present obligation that meets the criteria of conditions in IPSAS 23 and recognition as a liability, WFP recognizes an asset (contribution receivable) and a liability (deferred revenue) once it has met the requirements for asset recognition. WFP reduces deferred revenue and recognizes revenue as it satisfies present obligation recognized as a liability. Where the agreements do not contain all encompassing refund obligations to fulfil a condition under its meaning in IPSAS 23, an asset (contribution receivable) and contribution revenue are recognized upon confirmation of agreement in writing for the total amount of the agreement, despite the donor agreement stipulating future implementation dates and contribution amounts. Where provision of funding in future years is subject to parliamentary appropriation or similar clauses, and such future year funding would not fulfil asset recognition criteria under IPSAS 23, WFP recognizes neither an asset (contribution receivable), nor a liability (deferred revenue). It discloses a contingent asset in cases where the inflow is probable.

Other revenue

79. Other revenue is revenue from exchange transactions. An exchange transaction is one where WFP receives resources, assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Revenue from the provision of services is recognized in the financial period in which the service is rendered according to the estimated stage of completion of that service. Revenue from the transfer of goods is recognized when the risk and rewards of ownership of the goods are passed to the requesting party. When providing goods or cash transfer services, payment for the cost of the transfer service is recognized as other revenue, while the value of goods or cash transferred is recognized as a liability towards the requesting party until the liability is extinguished.

Food commodities and cash-based transfers distributed

80. Food commodities are expensed when distributed directly by WFP or once they are handed over to cooperating partners or service providers for distribution. Cost is determined on the weighted average basis.
81. Cash-based transfers are expensed when distributed directly by WFP or once distributed by the cooperating partners or service providers.

Fund accounting and segment reporting

82. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The financial statements are prepared on a fund accounting basis, showing at the end of the period the consolidated position of all WFP funds. Fund balances represent the accumulated residual of revenue and expenses.
83. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and for making decisions about the future allocation of resources. WFP classifies all projects, operations and fund activities into three segments: i) programme category funds; ii) General Fund and Special Accounts; and iii) trust funds. WFP reports on the

transactions of each segment during the financial period, and the balances held at the end of the period.

84. The programme category funds segment is an accounting entity established by the Board for the purposes of accounting for contribution revenue and expenses for all programme categories established to carry out the purposes of WFP. Programme categories include CSPs, ICSPs, limited emergency operations and transitional ICSPs. CSPs are prepared following sustainable development analysis and include WFP's entire portfolio of humanitarian and development activities in a country.
85. The General Fund is the accounting entity established for recording, under separate accounts, ISC recoveries, miscellaneous income, operational reserve and contributions received that are not designated to a specific programme category, project or a bilateral project. Special Accounts are established by the Executive Director under financial regulation 5.1 for special contributions or monies earmarked for specific activities, the balances of which may be brought forward to the succeeding financial period.
86. Trust funds are also identifiable subdivisions of the WFP Fund. These are established by the Executive Director under financial regulation 5.1 to account for contributions, the purpose, scope and reporting procedures of which have been agreed upon with the donor under specific trust fund agreements.
87. Reserves are maintained within the General Fund for the purpose of operational support. An operational reserve is maintained within the General Fund as required under financial regulation 10.5 to ensure continuity of operations in the event of temporary shortfalls of resources. In addition to the operational reserve, other reserves have been established by the Board.
88. WFP may enter into third-party agreements (TPAs) to undertake activities which, while consistent with the objectives of WFP, are outside WFP's normal activities. TPAs are not reported as WFP revenue and expenses. At the year-end, the net balance owing to or from third parties is reported as a payable or receivable in the Statement of Financial Position under the General Fund. Service fees charged on TPAs are included within other revenue.

Budget comparison

89. WFP's budget is prepared on a commitment basis and the financial statements on an accrual basis. In the Statement of Financial Performance, expenses are classified on the basis of the nature of expenses, whereas in the Statement of Comparison of Budget and Actual Amounts, expenditures are classified by strategic outcomes into WFP cost categories. The strategic outcomes elaborated in WFP Strategic Plan (2022–2025) focus WFP's responses on what countries need. WFP's strategic results and outcomes are mapped to the SDG 2 and SDG 17 targets that are relevant to WFP's capacities and mandate, aligning WFP's support to national and global efforts on the SDGs.
90. Budget planning for CSPs follows the structure of the country portfolio budgets. The Board approves budgets either directly or through its delegated authority. It also approves the annual management plan, including the appropriations for PSA costs, and critical corporate initiatives. Budgets may be subsequently amended by the Board or through the exercise of delegated authority.
91. Statement V: Comparison of Budget and Actual Amounts compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the bases used to prepare the budget and financial statements differ, note 6 provides reconciliation of the actual amounts presented in Statement V and the actual amounts presented in Statement IV: Cash Flow.

92. The original and final budget in Statement V represents WFP's operational requirements developed based on needs assessment. It includes the direct CSPs costs, approved PSA costs and critical corporate initiatives for the indirect cost portion. In addition, the implementation plan is presented. The implementation plan represents prioritized operational needs for approved CSPs, derived from the final budget, considering funding forecasts, available resources and operational challenges. Considering that WFP is a voluntarily funded organization, its operations and financial management depend on the actual level of funding received.

Note 2.1: Cash and cash equivalents

	2025	2024
	<i>USD million</i>	
Cash and cash equivalents		
Bank and cash at headquarters	196.8	302.4
Bank and cash at regional and country offices	143.7	209.5
Money market and deposit accounts at headquarters	621.4	996.6
Cash and cash equivalents held by investment managers	1 042.4	1 340.9
Total cash and cash equivalents	2 004.3	2 849.4

93. Cash required for immediate disbursement is maintained in cash and bank accounts. Balances in the money market and deposit accounts are available at short notice.

Note 2.2: Short-term investments

	2025	2024
	<i>USD million</i>	
Short-term investments		
Short-term investments	2 587.1	2 242.8
Current portion of long-term investments (note 2.7)	6.1	6.3
Total short-term investments	2 593.2	2 249.1

94. In line with the Financial Regulation 11.2, cash not required immediately for operational activities may be invested considering the need of safety, liquidity and profitability. Short-term investments are separated into several portfolios with distinct investment horizons and specific investment guidelines and restrictions. The credit risk profile of short-term investments did not change significantly in 2025. Central banks continued to adopt restrictive monetary policies with the objective to tame inflation throughout the year.
95. Short-term investments were valued at USD 2,587.1 million at 31 December 2025 (USD 2,242.8 million at 31 December 2024). Of this amount, USD 1,258.5 million pertains to bonds issued or guaranteed by governments or government agencies (USD 972.2 million at 31 December 2024); USD 771.7 million pertains to corporate bonds (USD 749.5 million at 31 December 2024) and USD 556.9 million pertains to asset-backed securities (USD 521.1 million at 31 December 2024). These investments are stated at fair value based

on valuation provided by the independent custodian bank responsible for the administration and safekeeping of the securities.

96. In 2025, derivatives usage in short-term investments was limited to bond futures and derivatives exposure was considered immaterial. At 31 December 2025, the notional amount of the derivative financial instruments held in the investment portfolio is USD 27.1 (no derivative financial instruments were held at 31 December 2024).
97. The movements in short-term investment accounts during the year are as follows:

	2024	Net additions/ (deductions)	Interest received/ amortized	Net realized gains	Net unrealized gains	2025
<i>USD million</i>						
Short-term investments	2 242.8	226.4	101.7	10.5	5.7	2 587.1
Current portion of long-term investments	6.3	(0.5)	0.3	-	-	6.1
Total short-term investments	2 249.1	225.9	102.0	10.5	5.7	2 593.2

98. During 2025, total short-term investments increased by USD 344.1 million. This increase includes net unrealized gains of USD 5.7 million recognized in net assets/equity. Amortized interest on the current portion of the long-term investment of USD 0.3 million, is presented in the reconciliation of surplus/deficit to operating cash flows in the Statement of Cash Flow as part of the increase in amortized value of the long-term investment of USD 1.7 million. The remaining balance, net of reclassification from long-term to short-term of USD 6.0 million, amounting to USD 332.1 million is presented in the Statement of Cash Flow under investing activities.

Note 2.3: Contributions receivable

	2025	2024
<i>USD million</i>		
Composition:		
Current	4 065.3	5 245.3
Non-current	95.1	189.5
Total net contributions receivable	4 160.4	5 434.8
Monetary contributions receivable	4 062.4	5 045.0
In-kind contributions receivable	177.7	464.5
Total contributions receivable before allowance and discounting	4 240.1	5 509.5

	2025	2024
	<i>USD million</i>	
The effect of discounting	(22.2)	(33.7)
Allowance for reduction in contribution revenue	(51.7)	(33.4)
Allowance for impairment	(5.8)	(7.6)
Total net contributions receivable	4 160.4	5 434.8

99. Current contributions receivable are for confirmed contributions that are due within 12 months while non-current contributions receivable are those that are due after 12 months from 31 December 2025.
100. Contributions receivable relate to donor contributions for programme categories, trust funds or to the General Fund and Special Accounts. Donor contributions may include restrictions that require WFP to use the contribution for a specific objective, activity or country within a specified timeframe.
101. The following table illustrates the composition of contributions receivable by ageing. Contribution receivables by ageing are presented before allowances and before the effect of discounting.

	2025		2024	
	<i>USD million</i>	%	<i>USD million</i>	%
Ageing				
2025	2 650.2	63		
2024	1 110.0	26	4 410.9	80
2023	273.5	7	801.0	14
2022 and earlier	162.4	4	331.5	6
Subtotal	4 196.1	100	5 543.4	100
Revaluation adjustments (non-USD contributions receivable)	44.0		(33.9)	
Total contributions receivable before allowance and discounting	4 240.1		5 509.5	

102. Contributions receivable are discounted at a rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows, by using the published US risk-free rates for comparable periods plus a spread based on the rating of each donor. The original discount rate applied to each contribution agreement is maintained for the duration of that agreement. US risk free rates as at 31 December 2025 for 1 to 3 years are 3.48 percent, 3.47 percent, 3.55 percent, respectively. Interest revenue accretion in 2025 due to unwinding of discount on contribution receivables is USD 11.5 million and is included in the Statement of Financial Performance.
103. Contributions receivable are presented net of allowance for impairment and allowance for estimated reductions in contribution revenue.

104. Allowance for reductions in contribution revenue is an amount estimated for any reductions of contributions receivable and corresponding revenue when the funding is no longer needed by the programme or activity to which the contributions were related. The allowance is based on historical experience.
105. The change in the allowance for reductions in contribution revenue during 2025 is as follows:

	2024	Utilization	Increase	2025
	<i>USD million</i>			
Total allowance for reduction in contribution revenue	33.4	(229.4)	247.7	51.7

106. During 2025, the reductions in contributions receivable amounted to USD 229.4 million. These reductions are recorded as a utilization of the allowance for reductions in contribution revenue and reported in the Statement of Financial Position. At 31 December 2025, the estimated final allowance required is USD 51.7 million. Accordingly, an increase of USD 247.7 million was recorded as an adjustment to contribution revenue for the period and is reported in the Statement of Financial Performance.
107. The allowance for impairment is recorded based on a review of open contributions receivable to determine any line items that may not be collectible. This allowance is for contributions receivable where expenses have already been incurred but donors are not expected to provide funding. In addition, WFP quantifies expected credit losses on contribution receivables with the loss rate approach as described in note 2.16.2. Actual write-offs require a transfer from the General Fund and approval by the Executive Director for amounts above USD 10,000.
108. The change in the allowance for impairment during 2025 is as follows:

	2024	Utilization	Decrease	2025
	<i>USD million</i>			
Total allowance for impairment	7.6	(0.5)	(1.3)	5.8

109. During 2025, write-offs of USD 0.5 million were recorded as a utilization of the allowance for impairment and reported in the Statement of Financial Position. At 31 December 2025, the estimated final allowance for impairment required is USD 5.8 million. Accordingly, a decrease of USD 1.3 million was recorded as an adjustment for the period and is reported in the Statement of Financial Performance.

Note 2.4: Inventories

110. The following tables show the movements of food and non-food items during the year. The first table shows the total value of inventories – food and non-food – as presented in the Statement of Financial Position. The second table shows a reconciliation of food inventories, which reflects the opening balance and additions during the year reduced by the value of food distributed and impairment allowance made during the year.

	2025	2024
	<i>USD million</i>	
Food on hand	560.9	838.0
Food in transit	162.2	259.3
Subtotal food	723.1	1,097.3
Less: impairment allowance	(7.0)	(8.7)
write-down to net realizable value	(37.2)	(76.6)
Total food	678.9	1,012.0
Non-food items	26.2	33.4
Less: impairment allowance	(1.2)	(1.3)
Total non-food items	25.0	32.1
Total inventories	703.9	1,044.1

Food reconciliation	2025	2024
	<i>USD million</i>	
Opening inventory	1 012.0	1 258.5
Add back: impairment allowance and write-down to net realizable value	85.3	137.4
Food purchased	1 105.5	1 328.7
In-kind commodities received	385.3	396.1
Transport and related costs	320.3	317.8
Total inventory available for distribution	2 908.4	3 438.5
Less: food distributed	(2 185.3)	(2 341.2)
Less: impairment allowance and write down to net realizable value	(44.2)	(85.3)
Total food	678.9	1 012.0

111. For 2025, food and non-food items distributed totalled USD 2,207.5 million (USD 2,372.9 million in 2024), as reported in the Statement of Financial Performance. Of this amount, USD 2,185.3 million relates to food commodities and USD 22.2 million relates to non-food items (USD 2,341.2 million and USD 31.7 million respectively in 2024).
112. For food, costs incurred up to the first point of entry in the recipient country are included in inventories. These costs include costs of procurement, ocean transport, port costs and, for food destined for landlocked countries, the overland transport cost across transit countries.
113. Food quantities, derived from WFP's food tracking systems, are validated by physical stock counts and valued on a moving average basis.
114. The table below shows food inventory composition by commodity type.

	2025		2024	
	<i>Thousand mt</i>	<i>USD million</i>	<i>Thousand mt</i>	<i>USD million</i>
Cereals	615.3	298.2	915.7	432.6
Mixed and blended	84.9	169.0	119.2	252.8
Oils and fats	51.8	88.6	85.7	144.7
Pulses and vegetables	118.2	83.3	137.7	116.7
Others	36.9	39.8	46.5	65.2
Total food	907.1	678.9	1,304.8	1,012.0

115. Inventories include non-food items held at WFP warehouses in Dubai and at various strategic storage depots managed by the United Nations Humanitarian Response Depot network.
116. Non-food items include fuel, isolation and treatment units, prefabricated warehouses, modular buildings, generators and spare parts.
117. Food commodity stocks at 31 December 2025 were 0.9 million mt, valued at USD 678.9 million (1.3 million mt, valued at USD 1,012.0 million at 31 December 2024).
118. The value of food commodities was written down by USD 37.2 million to their net realizable value (USD 76.6million in 2024). The decrease in the replacement cost is primarily due to the reduction in major commodities held and the relatively stable prices trends on these commodities. In addition, an allowance for impairment was made for possible loss or damage to inventories under WFP's custody. The allowance is based on past experience and has been set at 0.98 percent of total food and 4.7 percent for non-food items (in 2024, the allowances for food and non-food items were 0.79 percent and 4.1 percent, respectively). As at 31 December 2025, the estimated final allowance for impairment required is USD 8.2 million and USD 0.5 million utilization is recorded. Accordingly, a decrease in the allowance for impairment of USD 1.3 million is reported in the Statement of Financial Performance.
119. The change in the allowances for impairment during 2025 is as follows:

	2024	Utilization	Increase/ (decrease)	2025
	<i>USD million</i>			
Allowance for impairment – food	8.7	-	(1.7)	7.0
Allowance for impairment – non-food	1.3	(0.5)	0.4	1.2
Total allowance	10.0	(0.5)	(1.3)	8.2

Note 2.5 Other receivables

	2025	2024
	<i>USD million</i>	
Composition		
Current	348.6	352.6
Non-current	1.1	-
Total provisions	349.7	352.6

120. Current receivable are due within 12 months while non-current receivable are those that are due beyond 12 months from 31 December 2025.

	2025	2024
	<i>USD million</i>	
Advances to vendors	91.3	105.1
Advances to staff	56.9	46.4
Advances for cash-based transfers	15.9	39.8
TPA receivables	31.1	27.1
Customer receivables	45.2	39.3
Value added tax receivables	107.5	89.9
Miscellaneous receivables	90.4	78.6
Total other receivables before allowance	438.3	426.2
Allowance for impairment	(89.7)	(73.6)
Total net other receivables	348.6	352.6

121. Advances to vendors are for payments in advance of goods and service delivery.
122. Advances to staff are cash advances for salaries, education grants, rentals, travel and other staff entitlements. These advances are non-interest bearing in accordance with staff rules and regulations.
123. Advances for cash-based transfers relate to amounts disbursed to cooperating partners and financial service providers to implement cash-based transfer programmes. The advances are used as per relevant agreements and reconciled against actual expenditures.
124. A TPA is a legally binding contract between WFP and another party in which WFP acts as an agent to provide goods or services at an agreed price. Transactions relating to TPA are reflected as receivables and payables in the Statement of Financial Position. TPA receivables and payables are offset against each other to reflect the net position with the third parties.
125. Customer receivables include amounts due from customers for goods and services provided by WFP.

126. Value-added tax (VAT) receivables are receivables from governments for input VAT included in the price of goods and services provided to WFP where upfront tax exemptions have not been granted to WFP.
127. Miscellaneous receivables include accrued interest receivable, receivables from other United Nations organizations, governments and NGOs, and finance lease receivables.
128. Other receivables are reviewed to determine whether any allowance for impairment is required. As at 31 December 2025, the estimated allowance required is USD 89.7 million, of which USD 84.0 million is for VAT and USD 5.7 million is for other receivables (USD 69.6 million for VAT receivable and USD 4 million for other receivables in 2024).
129. The change in the allowance for impairment during 2025 is as follows:

	2024	Utilization	Increase/ (decrease)	Revaluation adjustment	2025
	<i>USD million</i>				
Total allowance for impairment	73.6	(0.1)	15.7	0.5	89.7

130. The revaluation adjustment reflects the revaluation of the allowance denominated in non-USD currency.
131. The increase in the allowance for impairment of USD 15.7 million was recorded as an expense for the period and is reported in the Statement of Financial Performance.
132. Non-current receivables include the net investment in finance subleases of USD 1.1 million. WFP subleases portions of its leased premises to other UN Agencies for the same duration as the main lease. This approach helps achieve cost efficiencies and share expenses with agencies operating in the same location. To manage risk, WFP aligns sublease terms with headlease terms, ensuring it does not incur costs or risks for areas used solely by other agencies. Neither the headleases nor subleases include residual value guarantees.

Note 2.6: Long-term investments

	2025	2024
	<i>USD million</i>	
United States Treasury STRIPS	30.4	35.2
Current portion (note 2.2)	(6.1)	(6.3)
Long-term portion, United States Treasury STRIPS	24.3	28.9
Bonds	735.8	633.0
Equities	792.8	654.9
Total bonds and equities	1 528.6	1 287.9
Total long-term investments	1 552.9	1 316.8

133. Long-term investments consist of investments in STRIPS, bonds and equities.

134. The United States Treasury STRIPS were acquired in September 2001 and are held to maturity. The maturities of the securities are phased over 30 years to fund payment of interest and principal obligations on a long-term commodity loan from a donor government agency (note 2.14), denominated in the same currency as the STRIPS over the same period. The STRIPS bear no nominal interest and were purchased at a discount to their face value; the discount was directly related to prevailing interest rates at the time of purchase of 5.5 percent and to the maturities of the respective STRIPS. The current portion of the STRIPS is equal to the amount required to settle current obligations on the long-term loan.
135. Changes in market value of the investment in STRIPS are not recognized. At 31 December 2025, the market value of this investment was USD 31.9 million (USD 36.3 million at 31 December 2024).
136. The investments in bonds and equities have been designated as being held for funding of WFP's long-term employee benefits liabilities. Although these investments are designated for this purpose, and are not available for funding current operations, the investments are not subject to separate legal restrictions and do not qualify as "plan assets" as defined in IPSAS 39, Employee Benefits.
137. Investments in equities are made through two Environmental, Social and Corporate Governance funds, which track the composition and performance of the Morgan Stanley Capital International (MSCI) All Country World Index, a recognized index of stocks to all world markets. This investment structure provides exposure to global equities markets on a passive basis with risks and returns that mirror the MSCI All Country World Index.
138. The increase in the value of the long-term bond and equity investments of USD 240.7 million was led by the positive performance in the Global Equity portfolios, as global equity markets posting another year of double digit returns on the back of positive economic growth, renewed investor enthusiasm for technology companies, falling inflation and a more accommodative monetary policy in the advanced economies. The addition of USD 19.9 million is invested in line with WFP's asset allocation policy, revised in 2025 based on the outcomes of the asset liability management study performed in 2024, with the objective of achieving a target of 50 percent in global equities and 50 percent in global bonds for funds set aside to meet employee benefit liabilities. These investments are stated at fair value based on valuation provided by the independent custodian bank responsible for the administration and safekeeping of the securities.
139. The movement of long-term investment accounts during 2025 is as follows:

	2024	Additions/ (deductions)	Interest received/ amortized	Net realized gains	Net unrealized gains	2025
<i>USD million</i>						
Bonds	633.0	26.1	26.9	23.7	26.1	735.8
Equity investment funds	654.9	(6.2)	-	8.0	136.1	792.8
Investment in STRIPS	28.9	(6.0)	1.4	-	-	24.3
Total long-term investment	1 316.8	13.9	28.3	31.7	162.2	1 552.9

140. During 2025, long-term investments increased by USD 236.1 million. Long-term bonds are classified at fair value through net assets/equity and equity investment funds and foreign exchange forwards (notional amount of USD 116.6 million) are classified at fair value through surplus or deficit. Accordingly, under IPSAS, out of net unrealized gain of USD 162.2 million, the net unrealized loss of USD 9.4 million related to financial assets at fair value through net assets/equity are transferred to net assets and presented in the Statement of Changes in Net Assets. The net unrealized gains of USD 1.9 million related to derivative financial instruments, the net unrealized gains of USD 136.1 million related to equity investment funds and the net unrealized gain of USD 33.6 million related to foreign exchange differences on long term investments are presented in the Statement of Financial Performance. The amortized interest on the investment in STRIPS of USD 1.4 million is presented in the reconciliation of surplus to operating cash flows in the Statement of Cash Flow as part of the increase in amortized value of the long-term investment of USD 1.7 million. The remaining balance, net of a reclassification from long-term to short-term of USD 6.0 million, amounting to USD 78.5 million is presented in the Statement of Cash Flow under investing activities.

Note 2.7: Property, plant and equipment

	Cost			Accumulated depreciation				Net carrying amount	
	At 31 Dec 24	Additions	Disposal/ transfers	At 31 Dec 25	At 31 Dec 24	Depreciation expense	Disposal/ transfers	At 31 Dec 25	At 31 Dec 25
<i>USD million</i>									
Buildings									
Permanent	70.0	15.1	18.1	103.2	(13.7)	(2.9)	-	(16.6)	86.6
Temporary	139.5	9.8	(5.6)	143.7	(114.0)	(10.9)	4.8	(120.1)	23.6
Computer equipment	22.2	1.8	(2.2)	21.8	(18.2)	(2.6)	2.1	(18.7)	3.1
Other equipment	85.3	7.3	(3.0)	89.6	(73.8)	(7.2)	3.9	(77.1)	12.5
Office fixtures and fittings	1.1	0.1	(0.1)	1.1	(0.7)	(0.1)	0.0	(0.8)	0.3
Motor vehicles									
Light	129.3	19.0	(19.3)	129.0	(83.1)	(16.8)	15.0	(84.9)	44.1
Heavy and armoured	190.5	12.8	(5.0)	198.3	(122.1)	(16.4)	5.1	(133.4)	64.9
Leasehold improvements	79.6	7.2	2.4	89.2	(51.8)	(9.9)	1.0	(60.7)	28.5
Fixed assets under construction	30.6	9.2	(22.7)	17.1	-	-	-	-	17.1
Total	748.1	82.3	(37.4)	793.0	(477.4)	(66.8)	31.9	(512.3)	280.7

	Cost			Accumulated depreciation				Net carrying amount	
	At 31 Dec 2023	Additions	Disposals/transfers	At 31 Dec 2024	At 31 Dec 2023	Depreciation expense	Disposals/transfers	At 31 Dec 2024	At 31 Dec 2024
<i>USD million</i>									
Buildings									
Permanent	67.9	0.8	1.3	70.0	(12.1)	(2.3)	0.7	(13.7)	56.3
Temporary	142.1	9.0	(11.6)	139.5	(114.5)	(10.9)	11.4	(114.0)	25.5
Computer equipment	20.8	2.5	(1.1)	22.2	(16.8)	(2.5)	1.1	(18.2)	4.0
Other equipment	81.1	7.4	(3.2)	85.3	(69.7)	(7.2)	3.1	(73.8)	11.5
Office fixtures and fittings	1.1	0.1	(0.1)	1.1	(0.6)	(0.1)	0.0	(0.7)	0.4
Motor vehicles									
Light	122.8	21.8	(15.3)	129.3	(78.7)	(17.5)	13.1	(83.1)	46.2
Heavy and armoured	173.0	16.7	0.8	190.5	(109.5)	(13.8)	1.2	(122.1)	68.4
Leasehold improvements	71.5	7.7	0.4	79.6	(42.9)	(10.1)	1.2	(51.8)	27.8
Fixed assets under construction	22.0	16.3	(7.7)	30.6	-	-	-	-	30.6
Total	702.2	82.3	(36.5)	748.1	(444.8)	(64.4)	31.8	(477.4)	270.6

141. In 2025, major additions to property, plant and equipment were for vehicles, buildings and fixed assets under construction. Net acquisitions (after disposals) for the period ended 31 December 2025 totalled USD 44.9 million (USD 45.8 million at 31 December 2024). Donated in-kind property, plant and equipment in 2025 totalled USD 5.4 million (USD 0.2 million at 31 December 2024). Net carrying amount of property, plant and equipment for USD 280.7 million as 31 December 2025 (USD 270.6 million at 31 December 2024) is reported in the Statement of Financial Position and the depreciation expense for the year of USD 66.8 million is reported in the Statement of Financial Performance (USD 64.4 million in 2024).
142. Other equipment includes office equipment, security and safety equipment, telecommunication equipment, workshop equipment, and solar power systems equipment.
143. Assets are reviewed annually to determine if their value is impaired. The review undertaken in 2025 did not result in any property, plant and equipment being impaired.
144. A physical count was partially or not performed in two countries where WFP operates, namely Myanmar and Yemen (net book value of USD 2.3 million), due to security considerations and difficulties in accessing conflict-affected areas. The physical count exercise in these countries will be finalized once the security situation allows.

Note 2.8: Intangible assets

	Cost				Accumulated amortization				Net carrying amount
	At 31 Dec 24	Additions	Disposal/transfers	At 31 Dec 25	At 31 Dec 24	Amortization expense	Disposal/transfers	At 31 Dec 25	At 31 Dec 25
<i>USD million</i>									
Internally generated software	93.8	6.6	1.1	101.5	(69.4)	(6.5)	-	(75.9)	25.6
Externally acquired software	3.5	0.0	(1.5)	2.0	(3.5)	(0.0)	1.5	(2.0)	0.0
Licenses and rights	1.4	-	(0.4)	1.0	(1.2)	(0.1)	0.4	(1.0)	(0.0)
Intangible assets under construction	1.3	0.6	(1.1)	0.8	-	-	-	-	0.8
Total intangible assets	100.0	7.2	(1.9)	105.3	(74.1)	(6.6)	1.9	(78.9)	26.4

	Cost				Accumulated amortization				Net carrying amount
	At 31 Dec 2023	Additions	Disposal/transfers	At 31 Dec 2024	At 31 Dec 2023	Amortization expense	Disposal/transfers	At 31 Dec 2024	At 31 Dec 2024
<i>USD million</i>									
Internally generated software	82.5	9.4	1.9	93.8	(65.0)	(4.4)	-	(69.4)	24.4
Externally acquired software	3.5	0.0	-	3.5	(3.4)	(0.1)	-	(3.5)	(0.0)
Licences and rights	1.4	-	(0.0)	1.4	(1.0)	(0.2)	0.0	(1.2)	0.2
Intangible assets under construction	2.5	0.7	(1.9)	1.3	-	-	-	-	1.3
Total intangible assets	89.9	10.1	(0.0)	100.0	(69.4)	(4.7)	0.0	(74.1)	25.9

145. Net carrying amount of intangible assets for USD 26.4 million at 31 December 2025 (USD 25.9 million at 31 December 2024) is reported in the Statement of Financial Position while the amortization expense for the year of USD 6.6 million is reported in the Statement of Financial Performance.

Note 2.9 Right-of-use assets

146. The following table illustrates lease right-of-use assets. IPSAS 43 requires the recognition of right-of-use asset and lease liability on the date of adoption of such a standard (1 January 2025) on a prospective basis. The standard requires adjusting the initial recognition of the right-of-use asset by lease prepayments and accruals existing on 31 December 2024. There is no depreciation on 1 January 2025 because the right-of-use asset is recognized on that date. The ending balance of the right-of use asset is presented in Statement I of Financial Position, net of accumulated depreciation. For an explanation of modifications, please refer to Note 2.16.

	Cost					Accumulated depreciation				Net carrying amount		
	At 1 Jan 2025	Prepay/ accrual/ sublease adj.	Adjusted 1 Jan 2025	Additions	Modifications	At 31 Dec 2025	At 1 Jan 2025	Depreciation expense	Modifications	At 31 Dec 2025	At 1 Jan 2025	At 31 Dec 2025
<i>USD million</i>												
Land leases	20.7	0.5	21.2	-	(0.1)	21.1	-	2.6	0.0	2.6	21.2	18.5
Building leases	251.9	3.8	255.7	51.8	(4.3)	303.2	-	67.8	(0.8)	67.0	255.7	236.2
Aircraft leases	82.2	0	82.2	140.6	(20.2)	202.6	-	92.7	(1.5)	91.2	82.2	111.4
Total	354.8	4.3	359.1	192.4	(24.6)	526.9	-	163.1	(2.3)	160.8	359.1	366.1

Note 2.10: Payables and accruals

	2025	2024
	<i>USD million</i>	
Vendor payables	131.6	147.0
Donor payables	6.4	9.4
Liabilities for service provision	183.5	170.1
Staff payables	15.1	13.1
Miscellaneous payables	108.8	102.4
Subtotal payables	445.4	442.0
Accruals	461.5	706.3
Total payables and accruals	906.9	1 148.3

147. Vendor payables relate to amounts due for goods and services for which invoices have been received from suppliers.
148. Donor payables represent the balance of unspent contributions for closed activities, country portfolio budgets or grants pending refund or reprogramming.
149. Liabilities for service provision represent obligations that will be extinguished through provision of goods and services in future financial periods.
150. Staff payables relate to amounts due to staff members, and miscellaneous payables include mainly payables to United Nations organizations for services received.
151. Miscellaneous payables include amounts due to cooperating partners and other governmental and non-governmental organizations for services rendered; amounts payable to contracted retailers for redeemed vouchers and other CBT modalities where beneficiaries have received their entitlements, but related settlements are still pending; liabilities under pass-through arrangements where WFP serves as Administrative Agent; and payables arising from security or guarantee deposits held by WFP and expected to be refunded once underlying obligations are fulfilled.
152. Accruals are liabilities for goods and services received by or provided to WFP during the year for which invoices have not been received.

Note 2.11: Deferred revenue

	2025	2024
	<i>USD million</i>	
Composition		
Current	24.7	13.9
Non-current	15.1	10.7
Total deferred revenue	39.8	24.6

153. Deferred revenue represents contributions where revenue recognition has been deferred to future financial periods since the donor agreement stipulates conditions on transferred assets.

154. The current portion denotes revenue deferred for contributions related to the next 12 months. The non-current portion denotes revenue deferred for contributions related to the period beyond 12 months after the financial year-end.
155. In line with the accounting policy for contribution revenue described in note 1, deferred revenue is reduced, and contribution revenue is recognized in the Statement of Financial Performance as WFP satisfies a present obligation recognized as a liability.
156. The following table illustrates the composition of deferred revenue by contribution year, as stipulated by the donor:

	2025	2024
	<i>USD million</i>	
Contribution year		
2028 and after	2.9	-
2027	12.2	0.9
2026	24.7	9.8
2025	-	13.9
Total deferred revenue	39.8	24.6

Note 2.12: Provisions

	2025	2024
	<i>USD million</i>	
Composition		
Current	7.0	7.0
Non-current	1.5	-
Total provisions	8.5	7.0

157. Current provisions are those expected to be settled within 12 months of the reporting date. Non-current provisions are those expected to be settled after 12 months from the reporting date of 31 December 2025.

	2025	2024
	<i>USD million</i>	
Provision for refunds to donors	4.0	5.2
Lease decommissioning provision	2.8	-
Other provision	1.7	1.8
Total provisions	8.5	7.0

158. The provision for refunds to donors estimates the level of refunds that are expected to be returned to donors for unspent cash contributions to the programme. The provision is based on historical experience.

159. The change in the provision for refunds to donors during 2025 is as follows:

	2024	Utilization	Increase	2025
	<i>USD million</i>			
Provision for refunds to donors	5.2	(5.1)	3.9	4.0

160. During 2025, refunds made to donors totalled USD 5.1 million. These refunds are recorded as a utilization of the provision for refunds to donors and reported in the Statement of Financial Position. At 31 December 2025, the estimated final provision required is USD 4.0 million. Accordingly, an increase of USD 3.9 million was recorded as an adjustment to monetary contribution revenue for the period and is reported in the Statement of Financial Performance.

161. Under IPSAS 43, *Leases*, a lessee initially recognizes a right-of-use asset equal to the lease liability, plus initial direct costs and present value of decommissioning, restoration, or similar costs, and depreciates it according to its normal depreciation policy. Decommissioning, restoration or similar liability is a separate liability.

162. On January 1, the date of IPSAS 43 adoption, WFP recognized decommissioning liabilities of USD 0.6 million for property leases and USD 0.6 million for aviation charter leases. For property leases, the decommissioning liability arises in situations where the lease contract requires WFP, as the lessee, to remove leasehold improvements and restore, clean, or otherwise make good the rental space at the end of the lease term. The recognized amount primarily relates to a warehouse lease agreement in Syria. For aviation leases, the decommissioning liability reflects WFP's obligation to return the aircraft, its crew, and equipment to the initial deployment location at the start or end of the lease term, or upon cessation or suspension of the agreement. As of 31 December 2025, the decommissioning liability amounted to USD 0.7 million for premises leases and USD 2.1 million for aviation charter leases, including USD 0.1 million of accretion interest.

163. The other provision is recognized for legal claims where it is probable that there will be an outflow of resources to settle the claims, and the amounts can be reliably estimated.

164. The change in the provision for legal claims during 2025 is as follows:

	2024	Utilization	Increase	2025
	<i>USD million</i>			
Provision for legal claims	1.8	(1.2)	1.1	1.7

Note 2.13: Employee benefits

	2025			2024
	Actuarial valuation	WFP valuation	Total	
<i>USD million</i>				
Current				
Short-term employee benefits	6.6	49.0	55.6	52.7
Non-current				
Post-employment benefits	846.3	1.4	847.7	877.0
Other long-term employee benefits	94.9	9.6	104.5	99.2
Total employee benefits liabilities	947.8	60.0	1 007.8	1 028.9

2.13.1 Short-term employee benefits

165. Short-term employee benefits consist of annual leave, education grants and incurred but not paid amounts relating to all benefit plans. The benefits amount incurred but not paid was estimated by professional actuaries and accrued as short-term employee benefit liabilities.

2.13.2 Post-employment benefits

166. Post-employment benefits are defined benefit plans consisting of ASMPs, the Separation Payment Scheme (SPS) and the Compensation Plan Reserve Fund.

167. Post-employee benefits are established for two groups of staff: a) staff members who are in the professional category and general service in headquarters; and b) WFP's national professional officers and general service staff members in the country and regional offices. Both groups of staff are covered by the FAO staff rules and the United Nations staff rules.

168. The ASMPs allow eligible retirees and their eligible family members to participate in the Basic Medical Insurance Plan (BMIP) or the Medical Insurance Coverage Scheme (MICS) depending on which staff group they belong to. BMIP is provided to staff members in the professional category and the general service category in headquarters. MICS is provided to national professional officers and general service staff members in country and regional offices. ASMP defined benefit obligation represents the present value of the share of the organization's medical insurance costs for retirees and active staff post-employment benefits accrued to-date.

169. The SPS is a plan to fund severance pay for WFP general service staff at the duty stations in Italy upon separation from service.

170. The Compensation Plan Reserve Fund is a plan that provides compensation to all staff members, employees and dependents in case of death, injury or illness attributable to the performance of official duties and, in certain circumstances, to supplement the disability and survivors' pensions paid by the Fund.

2.13.3 Other long-term employee benefits

171. Other long-term employee benefits consist of home leave travel and other separation-related benefits which comprise accrued leave, death grants, repatriation grants and repatriation travel and removal expenses and are payable when staff are no longer in service.

2.13.4 Funding of employee benefit liabilities

172. The employee benefit liabilities are funded through annual service cost charges to the relevant funds and projects. Since long-term benefit liabilities reached a fully funded status and the funding ratio remains strong, starting from 2025 only 50 percent of the annual service cost, as estimated by the Actuary during annual valuations, is charged against relevant funds and projects to avoid accumulation of excessive surpluses in the funds set aside.

2.13.5 Actuarial valuations of post-employment and other separation-related benefits

173. Employee benefit liabilities are measured by professional actuaries or calculated by WFP.
174. Liabilities arising from post-employment benefits (ASMPs, SPS and the Compensation Plan Reserve Fund) and other separation-related benefits are determined by professional actuaries on the basis of actuarial assumptions.
175. Post-employment benefits and other separation-related benefits liabilities which are calculated by actuaries totalled USD 941.2 million at 31 December 2025 (USD 968.3 million in 2024), of which USD 640.6 million pertains to staff members who are in the professional category and general service in headquarters (USD 671.0 million in 2024) and USD 300.6 million pertains to the benefits for national professional officers and general service staff members in country and regional offices (USD 297.3 million in 2024).

2.13.5.1 Actuarial assumptions and methods

176. Each year, WFP reviews and selects assumptions and methods that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for WFP's after-service benefit plans (post-employment benefits and other separation-related benefits). For the 2025 valuation, the assumptions and methods used are described in the following table which also indicates the assumptions and methods used for the 2024 valuation.
177. The assumptions and methods adopted for the 2025 actuarial valuation resulted in a decrease in the post-employment and other separation-related benefits net liabilities in the total amount of 27.1 million (an increase of USD 23.9 million in 2024).
178. The principal actuarial assumptions are required to be disclosed in the financial statements in accordance with IPSAS 39. In addition, each actuarial assumption is required to be disclosed in absolute terms.
179. The following assumptions and methods have been used to determine the value of postemployment and other separation-related employee benefits liabilities for WFP at 31 December 2025.

Discount rate	<p>Established based on yield curve approach, using yields on high-grade corporate bonds and the expected cash flows of each of the WFP's plans. Separate discount rates are used for each of the plans as follows:</p> <p>International professional and headquarters general service: BMIP – 5.45 percent; other separation-related benefits (OSRB) – 5.05 percent; SPS – 3.85 percent and Staff Compensation Plan (SCP) – 5.65 percent; (BMIP – 5.05 percent; OSRB – 5.35 percent; SPS – 3.30 percent and SCP – 5.70 percent in 2024 valuation).</p> <p>National professional officers and general service in country/regional offices: MICS – 6.0 percent; OSRB – 5.15 percent; SCP – 5.80 percent (MICS – 5.85 percent; OSRB – 5.55 percent; SCP – 5.85 percent in 2024 valuation).</p>
Medical cost increases (ASMP only)	<p>BMIP – 8.59 percent for 2026, decreasing steadily to 3.82 percent for 2033 and beyond (8.27 percent for 2025, decreasing steadily to 3.82 percent for 2034 and beyond in 2024 valuation).</p> <p>MICS – 9.5 percent for 2026, decreasing steadily to 3.85 percent in 2032 and beyond (9.0 percent for 2025, decreasing steadily to 3.85 percent in 2032 and beyond in 2024 valuation).</p>
Annual salary scale	<p>In addition to merit increases, an increase of 3.1 percent is applied to reflect 2.60 percent inflation assumption and 0.5 percent productivity component.</p>
Annual cost of living increases/ general inflation	<p>Separate general inflation rates are used for each of the plans as follows:</p> <p>International professional and headquarters general service: BMIP – 2.3 percent; OSRB – 2.2 percent; SPS – 1.9 percent and SCP – 2.2 percent (BMIP – 2.4 percent; OSRB – 2.3 percent; SPS – 1.9 percent and SCP – 2.5 percent in 2024 valuation).</p> <p>National professional officers and general service in country/regional offices: MICS – 2.4 percent; OSRB – 2.2 percent; SCP – 2.3 percent (MICS – 2.5 percent; OSRB – 2.3 percent; SCP – 2.5 percent in 2024 valuation).</p>
Future exchange rates	<p>United Nations operation rates of exchange at 31 December 2025.</p>
Mortality rates	<p>Mortality rates are developed by UNJSPF and remained the same as in 2024 valuation.</p>
Disability rates	<p>Disability rates are developed by UNJSPF and remained the same as in 2024 valuation.</p>
Withdrawal rates	<p>International professional and headquarters general service: Based on a study of WFP's withdrawal rates from 2021 to 2022 (the same in 2024 valuation).</p> <p>National professional officers and general service in country/regional offices: Based on a study of WFP's withdrawal rates from 2021 to 2022 (the same in 2024 valuation).</p>
Retirement rates	<p>International professional and headquarters general service: Based on a study of WFP's withdrawal rates from 2021 to 2022 (the same in 2024 valuation).</p> <p>National professional officers and general service in country/regional offices: Based on a study of WFP's withdrawal rates from 2021 to 2022 (the same in 2024 valuation).</p>

Actuarial method	ASMPs, SPS and SCP: Projected unit credit with an attribution period from the entry on duty date to the date of full eligibility for benefits. Other separation-related payments schemes: For accrued leave, projected unit credit with an attribution period from the entry on duty date to separation. For repatriation travel and removal, projected unit credit with an attribution period from the entry on duty date to separation. For repatriation grant and death grant, projected unit credit with an attribution based on the actual benefit formula.
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180. The following tables provide additional information and analysis in relation to employee benefits liabilities, as calculated by the actuaries.

2.13.5.2 Reconciliation of defined benefit obligation

	After-service medical plans	Other separation-related benefits	Separation payment scheme	Compensation Plan Reserve Fund	Total
<i>USD million</i>					
Defined benefit obligation at 31 December 2024	831.0	92.7	22.4	22.2	968.3
Service cost for 2025	56.1	11.0	1.5	2.5	71.1
Interest cost for 2025	43.6	4.6	0.7	1.3	50.2
Actual gross benefit payments for 2025	(14.8)	(19.5)	(2.5)	(1.6)	(38.4)
Participant	2.9	-	-	-	2.9
Past service (credit) cost (curtailments)	(4.1)	-	-	(0.2)	(4.3)
Other actuarial (gains) losses	(113.6)	6.1	0.5	(1.6)	(108.6)
Defined benefit obligation at 31 December 2025	801.1	94.9	22.6	22.6	941.2

2.13.5.3 Annual expense for calendar year 2025

	After-service medical plans	Other separation-related benefits	Separation payments scheme	Compensation Plan Reserve Fund	Total
<i>USD million</i>					
Service cost	56.1	11.0	1.5	2.5	71.1
Interest cost	43.6	4.6	0.7	1.3	50.2
Past service (credit) cost (curtailments)	(4.1)	-	-	(0.2)	(4.3)
Actuarial loss	-	6.1	-	-	6.1
Subtotal expense	95.6	21.7	2.2	3.6	123.1

2.13.5.4 Reconciliation of present value of defined benefit obligation

	After-service medical plans	Other separation-related benefits	Separation payments scheme	Compensation Plan Reserve Fund	Total
<i>USD million</i>					
Defined benefit obligation					
Inactive	325.8	-	-	14.0	339.8
Active	475.3	94.9	22.6	8.6	601.4
Total	801.1	94.9	22.6	22.6	941.2
(Gain)/loss on defined benefit obligation	(113.6)	6.1	0.5	(1.6)	(108.6)

2.13.6 Employee benefits liability – sensitivity analysis

181. The principal assumption in the valuation of all employee benefit plans is the discount rate. Sensitivity analysis for the discount rate for the employee benefits liabilities is presented in the following table.

	After-service medical plans	Other separation-related benefits	Separation payments scheme	Staff Compensation Plan	Total
Defined benefit obligation	<i>USD million</i>				
Current discount rate assumption minus 1%	976.5	102.1	24.5	25.5	1 128.6
Current discount rate assumption	801.1	94.9	22.6	22.6	941.2
Current discount rate assumption plus 1%	667.6	88.2	21.0	20.1	796.9

2.13.6.1 After-service medical plans – sensitivity analysis

182. Three of the principal assumptions in the valuation of the ASMPs are: i) the rate at which medical costs are expected to increase in the future; ii) the exchange rate between the United States dollar and the euro; and iii) the discount rate used to determine the present value of benefits that will be paid from the plan in the future.
183. Sensitivity analysis of the actuarial estimates for BMIP in respect to the current assumptions used (highlighted in bold in the table) is presented in the following table.

Exchange rate	Discount rate	Long-term medical inflation per year		
		2.82%	3.82%	4.82%
<i>USD million</i>				
1.076 USD Per EUR	6.45%	357.7	422.9	507.9
1.176 USD Per EUR	6.45%	368.7	435.8	523.5
1.276 USD Per EUR	6.45%	379.7	448.8	539.1
1.076 USD Per EUR	5.45%	421.7	506.4	616.3
1.176 USD Per EUR	5.45%	434.6	521.9	635.2
1.276 USD Per EUR	5.45%	447.6	537.4	654.1
1.076 USD Per EUR	4.45%	506.6	616.6	764.2
1.176 USD Per EUR	4.45%	522.2	635.5	787.6
1.276 USD Per EUR	4.45%	537.7	654.4	811.1

184. Sensitivity analysis of the actuarial estimates for MICS in respect to the current assumptions used (highlighted in bold in the table) is presented in the following table.

Discount rate	Long-term medical inflation per year		
	2.85%	3.85%	4.85%
	<i>USD million</i>		
7.00%	194.0	231.8	279.8
6.00%	230.9	279.1	341.2
5.00%	278.5	341.0	422.5

185. The results assume that claims costs and premium rates would increase by the same percentage as the medical inflation, but that all other assumptions would be unaffected.

2.13.7 Expected costs during 2026

186. The expected contribution of WFP in 2026 to the defined benefits plans is USD 29.6 million which is determined based on expected benefit payments for that year.

	After-service medical plans	Other separation-related benefits	Separation payments scheme	Staff Compensation Plan	Total
	<i>USD million</i>				
Expected organization contributions during 2026	13.1	13.9	1.5	1.1	29.6

2.13.8 United Nations Joint Staff Pension Fund

187. The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Fund's Consulting Actuary. The practice of the Pension Board has usually been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities into perpetuity. The Fund's published funding policy (available on the Fund's website) sets out the methods, processes and targets that are used to monitor the funding position and associated risks. This also includes the practice of utilizing an actuarial value of assets, which smooths short-term investment gains and losses for the purpose of reporting long-term solvency.
188. WFP's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9 percent of pensionable remuneration for participants and 15.8 percent for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

189. The latest actuarial valuation for the Fund was completed as at 31 December 2023, and the valuation as of 31 December 2025 is currently being performed. A roll forward of the participation data as at 31 December 2023 to 31 December 2024 was used by the Fund for its 2024 financial statements.
190. The actuarial valuation as at 31 December 2023 reported a funded ratio of actuarial assets to actuarial liabilities of 111.0 percent (117.0 percent in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0 percent (158.2 percent in the 2021 valuation) when the current system of pension adjustments was not taken into account and would be the measure by which actuarial sufficiency is established under Article 26.
191. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as at 31 December 2023, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. At the time of this report, the General Assembly has not invoked the provision of Article 26.
192. Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2022, 2023 and 2024) amounted to USD 10,191.93 million, of which 5.7% was contributed by WFP.
193. During 2025, contributions paid to the Fund by the WFP (participants and organization's shares) amounted to USD 220.4 million (2024 USD 218.0 million). Expected contributions due in 2026 are approximately USD 209.1 million.
194. Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.
195. The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund provides weekly information on its investments, and it can be viewed by visiting the Fund at www.unjspf.org.

2.13.9 Social security arrangements for employees under service contracts

196. WFP employees under service contracts are entitled to social security based on local conditions and norms. WFP, however, has not undertaken any global arrangement for social security under service contracts. Social security arrangements can either be obtained from the national security system, private local schemes or as cash compensation for own scheme. The provision of proper social security in line with local labour legislation and practice is a key requirement of the service contract. Service contract holders are not WFP staff members and are not covered by the FAO and United Nations Staff Rules and Regulations.

Note 2.14: Loan

	2025	2024
	<i>USD million</i>	
Current portion of loan	5.5	5.6
Non-current portion of loan	27.3	32.9
Total loan	32.8	38.5

197. In December 2000, an agreement was reached between a major donor and WFP regarding a scheme to facilitate the provision of food assistance to two country projects. Under the scheme, a USD 106.0 million long-term loan was obtained from a government agency of the donor country and used to purchase food commodities.
198. The loan is payable over 30 years and interest on the loan is at the rate of 2 percent per year for the first 10 years and 3 percent per year on the declining balance each year thereafter. The current portion of the long-term loan includes an annual principal of USD 5.3 million and an amortization cost of USD 0.3 million using the effective interest method. Investments in United States Treasury STRIPS (note 2.7) acquired in 2001 are held to collect contractual cash flows up to maturity in 2031 for the payment of interest and principal of the commodity loan.
199. The loan is carried at amortized cost using the effective interest rate of 2.44 percent. At 31 December 2025, the total amortized cost was USD 32.8 million (USD 38.5 million at 31 December 2024) with an amount due within one year of USD 5.5 million and a long-term portion of USD 27.3 million (USD 5.6 million and USD 32.9 million, respectively, in 2024).
200. Interest expense during 2025 totalled USD 0.8 million (USD 1.0 million at 31 December 2024) as reflected in the Statement of Financial Performance, of which USD 1.1 million represents the annual interest paid in May 2025 and USD (0.3) million represents the amortized cost resulting from the recognition of the long-term loan at its net present value.
201. In the Statement of Cash Flow, interest paid during the year in the amount of USD 1.1 million is presented under financing activities, while amortized interest of USD (0.3) million is presented under reconciliation to net cash flows from operating activities.

Note 2.15 Lease liabilities

202. WFP lease portfolio includes land, property (premises and warehouses) and aircraft charters on an ACMI basis (aircraft, crew, maintenance and insurance). The lease portfolio is used solely in support of WFP's operational activities in country offices where WFP operates.
203. The following table reconciles property lease obligations disclosed as of 31 December 2024 under the previous IPSAS 13, Leases, to the lease liabilities recognized as of 1 January 2025 upon adoption of the new IPSAS 43, Leases. In addition, WFP has determined that aircraft charter agreements, not included in lease obligations of USD 198.3 million disclosed as of 31 December 2024, qualify as leases under the requirements of IPSAS 43. The lease liability pertaining to aircraft charter agreements and recognized as of 1 January 2025 is USD 81.5 million.

Property leases	USD million
Property lease obligations as of 31 December 2024	198.3
Difference in scope	(26.6)
Difference due to contractual term and payments	18.7
Difference due to assessment of IPSAS 43 lease term	129.1
Total undiscounted lease payments	319.5
Effect of discounting using the IBR as of 1 January 2025	(47.6)
Lease liabilities as of 1 January 2025	271.9

204. The scope differences include exempt short-term leases as of initial adoption (i.e., for which the lease term ends within 12 months of the date of initial application of IPSAS 43), leases with variable payments only that shall not be included in the measurement of the lease liability, payments related to services, in-kind leases not in scope of IPSAS 43 as of its effective date, and prepayment and accrual adjustments required by IPSAS 43 on initial adoption.
205. The difference due to contractual lease terms and payment schedules, include updated contractual lease end dates and payments translated at the 31 December 2024 closing exchange rate, relative to previously contracted or estimated amounts.
206. The difference due to assessment of IPSAS 43 lease term refer to the application of the IPSAS 43 requirements to determine the enforceable period of a lease contract together with periods covered by an option to extend the lease if the lessee is reasonably certain to extend that option, and periods covered by a termination option if the lessee is reasonably certain not to exercise that option. Based on such tests and available historical statistics, WFP has determined that, on average, the length of its lease contracts is of five years. No residual value guarantees are used in leases portfolio.
207. Effect of discounting reflects the present value of lease payments as of 1 January 2025, discounted using the incremental borrowing rate (IBR). The IBR is defined as the rate of interest that a lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, in a similar economic environment, over a similar term, with a similar security. WFP has determined such rate at a lease level, considering the type of right-to-use asset, the length of its lease, risk-free rates applicable to the economic environment of a currency in which lease is denominated, and the credit spread over such risk-free rates. The weighted average IBR applied to lease liabilities recognized as of 1 January 2025 is 6.0%. The sensitivity of lease liability to the IBR changes is approximately USD +/- USD 6.7 million per +/-1% rate.
208. Total leases' cash outflows amount to USD 172.0 million of which USD 157.3 million relate to the repayment of the principal portion of leases, disclosed in the Statement IV, Cash Flows from financing activities, and USD 14.7 million pertains to the interest portion, included as part of the operating activities.
209. Modifications mainly related to terminations of leases existing as of 1 January 2025, or to renegotiations of payments terms with lessors. Under IPSAS 43, a modification determines a remeasurement of the lease liability and ROU asset under the new terms and conditions.
210. Recognition of leases represents investing and financing transactions that do not require the use of cash or cash equivalents. The following table illustrates non-cash investing and financing transactions in relation to leases accounted for under IPSAS 43.

	Right-of-use assets	Lease liabilities	Decommissioning liability
Recognition at 1 January 2025	359.1	353.3	1.3
Additions	192.4	190.3	1.3
Modifications	(22.3)	(22.1)	(0.0)
Total	529.2	521.5	2.4

211. The following table shows the reconciliation of liabilities from financing activities for leases accounted for under IPSAS 43.

	Beginning 1 Jan 2025	Additions	Modifi- cations	Non-cash changes	Interest	Cash flows from financing activities	Repayment of principal	Cash flows from operating activities	Repayment of interest	Revaluation	31 Dec 2025
Lease liabilities	353.3	190.3	(22.1)	20.9		(157.3)		(14.7)		0.5	370.9

212. The following is a maturity analysis of ending lease liabilities for remaining contractual maturities (undiscounted amounts).

	Within one year	Between one and 5 years	Later than 5 years	Total lease liabilities
Lease liabilities	166.5	169.5	21.0	357.0

Note 2.16 Financial instruments

2.16.1 Nature of financial instruments

213. Details of the significant accounting policies and methods adopted, including the criteria for recognition and de-recognition, the basis of measurement and the basis on which gains and losses are recognized in respect of each class of financial asset and financial liability are set out in note 1.

214. The table below presents the financial assets of WFP as at 31 December 2025 under the IPSAS 41 measurement categories.

	2025	2024
	USD million	
Amortized cost	4 710.8	5 876.0
Fair value through surplus or deficit	1 119.0	1 264.3
Fair value through net assets/equities	4 655.7	4 601.2
Subtotal	10 485.5	11 741.5
Non-financial assets	1 552.1	1 801.8
Total	12 037.6	13 543.3

215. The following table presents the WFP assets that are measured at fair value at 31 December 2025 and 2024, respectively.

	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	<i>USD million</i>				<i>USD million</i>			
Financial assets at fair value through surplus or deficit	1 116.5	2.5	-	1 119.0	1 263.7	0.6	-	1 264.3
Financial assets at fair value through net assets/equity	211.8	4 438.9	5.0	4 655.7	238.2	4 358.4	4.6	4 601.2
Total	1 328.3	4 441.4	5.0	5 774.7	1 501.9	4 359.0	4.6	5 865.5

216. The different levels of fair value have been defined as follows: quoted prices (unadjusted) in active markets for identical assets (level 1); inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and inputs for the asset that are not based on observable market data (that is, unobservable inputs) (level 3).

217. Fair value levels largely depend on whether an active market exists for a security. Active markets provide direct data inputs and may, on average, provide better liquidity, lowering trading costs via tighter bid and ask prices. A different fair value level does not necessarily imply a different or higher level of risk for a security, all things being equal. The fair value hierarchy reflects the nature of the inputs used in determining fair values, but not the level of risk inherent in a security as the probability of a partial or full default on cash flows from issuers or counterparts is independent from the fair value level category.

218. During 2025, there was no transfer between fair value levels for financial assets.

2.16.2 Credit risk

219. WFP investment guidelines are conservative in nature with the primary objective being capital preservation and liquidity. All financial instruments in investment portfolios are rated high quality as per international credit ratings. Investment managers are bound by WFP investment guidelines that require them to select highly liquid securities for the investment portfolios.

220. WFP's credit risk associated with investments is spread widely and WFP's risk management policies limit the amount of credit exposure to any one counterparty and include minimum credit quality guidelines.

221. Credit risk and liquidity risk associated with cash and cash equivalents are minimized by ensuring that these financial assets are placed in highly liquid and diversified money market funds and/or with major financial institutions that have been accorded strong investment grade ratings by a primary rating agency and/or with other creditworthy counterparties. WFP adopts diligent cash management practices in field offices, and more importantly, can leverage robust indirect default risk protection from host agreements and the privileges and immunities clauses in the event access to funds may become compromised for other regular commercial bank clients, which is backed by historical evidence of no material losses

- incurred in previous periods. In January 2026, Yemen International Bank suspended operations following the sanctions imposed by US. WFP considered USD 0.9 million bank balances held in Yemen International Bank exposed to potential risks of non-recovery and set up an accounting allowance for the full amount in its 2025 financial statements.
222. As at 31 December 2025, debt instruments of US-based issuers account for 70 percent of short- and long-term debt instruments exposure. Within long-term debt instruments, US based issuers account for 46 percent, Japan based 11 percent, UK and Italy based 6 percent, respectively, France based 45 percent, and other countries 27 percent. Within short-term investments, debt instruments of US based issuers account for 77 percent, Canada based 5 percent, while the remainder is distributed among other countries. To avoid excessive concentration of risk, no more than 5 percent of the market value of a liquidity and EBF portfolio can be invested in obligations of any one issuer that is not a government or a governmental agency. WFP uses a global custodian bank which also provides risk analysis, performance measurement and compliance monitoring.
223. WFP measures IPSAS 41 expected credit losses of debt financial instruments at financial instrument level, applying the probability of default method as this is the leading practice. However, in considering reasonable and supportable forward-looking information that is available without undue cost or effort, as IPSAS 41 requires, WFP has considered macroeconomic information that collectively applies to the combination of country of issuance and type of financial instrument.
224. Based on the "low credit risk" simplification, all WFP's financial instruments in investment portfolios that are rated at investment grade are classified as "Stage 1" (no significant increase in credit risk since initial recognition) for the purpose of ECL, which means that the credit risk has not increased significantly since initial recognition. If an instrument downgrades to below investment grade at the reporting date, WFP determines whether the credit risk of financial instruments has increased significantly since initial recognition based on the change in rating compared to the rating at initial recognition of the instrument. Compared with 31 December 2024, there is no movement from Stage 1 to Stage 2 (significant credit risk occurred since initial recognition) or Stage 3 (credit-impaired). As at 31 December 2025, all financial instruments in investment portfolios are rated above investment grade.
225. On 31 December 2025, expected credit losses on short-term and long-term investments were USD 0.6 million (USD 0.5 million on 31 December 2024). The amount is low due to the high credit quality of the financial instruments in investment portfolios at or above investment grade. As of 31 December 2025, the exposure at default portfolio amount—short- and long-term debt financial instruments in investment portfolios, as well as STRIPS—totalled USD 3,597.0 million.
226. Contributions receivable comprise primarily amounts due from sovereign nations. There is a credit risk concentration where 59 percent is a receivable from the US government's agencies (2024: 65 percent). Details of contributions receivable, including allowances for reductions in contribution revenue and impairment allowance are provided in note 2.3.
227. Impairment allowances for contributions receivable and other receivables are measured by WFP at an amount equal to lifetime expected credit losses, in accordance with the 'simplified approach' of IPSAS 41. For contributions receivable, WFP estimates impairment at the level of contribution agreement, based on specific knowledge of the arrangement and donor. In addition, ECL on contributions receivable are quantified with the loss rate approach. This approach is based on historical statistics for each of the top donors that make up approximately 90 percent of revenue, and collectively for private and other donors adjusted to consider the current condition and forward-looking information that is available without undue cost or effort, as IPSAS 41 requires. The latter reflects macroeconomic information

that collectively applies to the donor country and the contribution agreement. The impairment allowance results from the individual assessment plus any excess that is determined based on the loss rate approach. WFP has complemented the current oversight and monitoring process of individual items of other receivables with an assessment of ECL collectively based on a loss rate approach.

228. Exposures to credit risk from contribution agreements usually arise should a donor not pay after WFP has already incurred the associated expenditures. As part of its risk management, WFP monitors and regularly reports to management actions taken to recover amounts due. WFP oversees other receivables on a case-by-case basis. It also monitors ageing on portfolio basis and has a structured write-off process in place.
229. There are currently no write-offs of financial instruments in investment portfolios, given the high quality of investments and the conservative investment policy. Write-off for contribution and other receivables is done when all efforts to recover the asset have been exhausted.
230. The following table reconciles, by class of financial instrument, the closing balance of the loss allowance.

	Long-term investments	Short-term investments	Cash equivalents	Total
	<i>USD millions</i>			
Loss allowance as at 31 December 2024	0.2	0.2	0.1	0.5
Changes due to:				
Financial assets derecognized during the period	-	-	-	-
New financial assets purchased	0.1	-	-	0.1
Loss allowance as at 31 December 2025	0.3	0.2	0.1	0.6

231. The following table shows the changes in gross carrying amounts of those investments that contributed to the above changes in the related loss allowance in the period:

	Long-term investments	Short-term investments	Cash equivalents	Total
	<i>USD millions</i>			
Gross carrying amount as at 31 December 2024	532.1	859.9	637.9	2 029.9
Changes due to:				
Financial assets derecognized during the period	(1.4)	(3.8)	(159.3)	(164.5)
New financial assets purchased	62.0	38.5	4.2	105.7
Gross carrying amount as at 31 December 2025	592.7	894.6	483.9	1 971.1

232. There are no financial assets for which credit risk has increased significantly since initial recognition and that are not credit impaired financial assets. Hence, the loss allowance is not measured at an amount equal to the lifetime expected credit losses for any asset. Financial instruments are above investment grade and 12-month probabilities of default do not exceed 0.4.

2.16.3 Interest rate risk

233. WFP is exposed to interest rate risk through short-term investments and long-term bonds. At 31 December 2025, the effective interest rates of these two investment portfolios were 3.68 percent and 4.23 percent, respectively (4.49 percent and 4.14 percent, respectively, in 2024). A measurement of interest rate sensitivity indicates that the effective duration is 0.73 years for the short-term investments and 9.68 years for the long-term bonds (0.73 years and 9.93 years, respectively, in December 2024). Fixed income derivatives are used by external investment managers to manage interest rate risk under strict investment guidelines.

2.16.4 Foreign currency risk

234. At 31 December 2025, 88 percent of cash, cash equivalent and investments are denominated in the US dollar base currency and 12 percent are denominated in euros and other currencies (87 percent and 13 percent, respectively, as at 31 December 2024). Non-US dollar holdings have the primary objective of supporting operating activities. In addition, 76 percent of contributions receivable are denominated in the US dollar base currency, 18 percent are denominated in euros, 2 percent in Pakistani Rupee and 4 percent in other currencies (76 percent in the US dollar base currency, 16 percent in euros, 3 percent in Pakistani Rupee and 5 percent in other currencies at 31 December 2024). Prevailing majority of cash, cash equivalent and investments are held in convertible currencies, except 0.3 percent of cash held in non-convertible currencies (0.7 percent as at 31 December 2024).

235. Foreign exchange forward contracts are used to hedge the euro versus US dollar exchange exposure on PSA staff costs incurred at headquarters in line with the hedging policy approved by the Board at its 2008 annual session. During the year ended 31 December 2025, 12 contracts were settled at a realized gain of USD 3.6 million (12 contracts were settled during the year ended 31 December 2024 at a realized loss of USD 3.3 million). In addition, a new hedging strategy was implemented for 2026, in which WFP entered into 12 foreign exchange forward contracts to purchase a total of EUR 60.8 million over 12 months at a fixed exchange rate. At 31 December 2025, the 12 contracts have a notional value of USD 71.3 million and an unrealized gain of USD 0.7 million using the forward rate at 31 December 2025. Both the realized gain and unrealized gain are included in currency exchange differences presented in the Statement of Financial Performance.

2.16.5 Market risk

236. WFP is subject to market risk in both the short-term and long-term investments. The market value of its fixed income, equity, financial derivatives and foreign exchange forwards may change on a daily basis. All the sensitivity analyses provided below have been prepared on the basis that all variables are held constant, other than that specifically mentioned.

237. Interest rate sensitivity – For short-term investments, if interest rates were to rise (fall) by 1 percent, the impact to the Statement of Changes in Net Assets is a USD 26.6 million unrealized loss (gain). For long-term bond portfolio, if interest rates were to rise (fall) by 1 percent, the impact to the Statement of Changes in Net Assets is a USD 72.0 million unrealized loss (gain).

238. Futures price sensitivity – For short-term investments, if futures prices were to rise (fall) by 1 percent, the impact to the Statement of Changes in Net Assets is a USD 0.0 million unrealized loss (gain). For long-term bond portfolio, if futures prices were to rise (fall) by 1 percent, the impact to the Statement of Changes in Net Assets is a USD 2.0 million unrealized gain (loss).

239. Equity price sensitivity – The equity investments track the MSCI All Country World Index, a recognized index of stocks of all world markets. If equity prices were to rise (fall) by 1 percent proportionally across the two Environmental, Social and Corporate Governance equity funds, the impact to the Statement of Financial Performance is a USD 7.9 million unrealized gain (loss).
240. Foreign exchange forwards sensitivity – For the remaining 12 PSA hedge forward contracts, if USD/EUR rate were to rise (fall) by 1 percent, the impact to the Statement of Financial Performance is a USD 0.7 million unrealized gain (loss), with all other variables held constant. For long-term investments, if foreign currency prices were to appreciate (depreciate) versus the USD by 1 percent across the forward currency positions currently held, the impact to the Statement of Financial Performance is a USD 1.2 million unrealized gain (loss).

Note 2.17: Fund balances and reserves

241. Fund balances represent the unexpended portion of contributions that are intended to be utilized in future operational requirements of the Programme. These are WFP's residual interest in WFP's assets after deducting all its liabilities. The following table presents WFP's fund balances.

	2025				Total
	Programme category funds	Trust funds	General Fund and Special Accounts		
			(fund balance)	Reserves	
(fund balance)	(fund balance)	(fund balance)			
Opening balance at 1 January 2025	8 246.4	486.8	1 769.3	793.5	11 296.0
Surplus/(deficit) for the year	(2 514.1)	109	671.2	-	(1 733.9)
Movements in fund balances and reserves in 2025					
Advances to projects	297.1	0.2	-	(297.3)	-
Repayments by projects	(110.6)	-	-	110.6	-
Other transfer from/to reserves	-	-	(64.8)	64.8	-
Transfer between funds	614.3	(103.9)	(510.4)	-	-
Actuarial gains on employee benefit liabilities	-	-	114.7	-	114.7
Net unrealized losses on long-term investments	-	-	(5.9)	-	(5.9)
Total movements during the year	800.8	(103.7)	(466.3)	(121.9)	108.8
Closing balance at 31 December 2025	6 533.1	492.1	1 974.1	671.6	9 670.9

	2024				Total
	Programme category funds	Trust funds	General Fund and Special Accounts	Reserves	
	(fund balance)	(fund balance)	(fund balance)		
Opening balance at 1 January 2024	7 100.4	500.4	1 654.9	659.0	9 914.7
Surplus (deficit) for the year	451.9	75.1	805.6	-	1 332.6
Movements in fund balances and reserves in 2024					
Advances to projects	195.2	0.9	-	(196.1)	-
Repayments by projects	(146.6)	-	-	146.6	-
Other transfer from/to reserves	-	-	(184.0)	184.0	-
Transfer between funds	645.5	(89.6)	(555.9)	-	-
Actuarial gains on employee benefit liabilities	-	-	64.8	-	64.8
Net unrealized gains on long-term investments	-	-	(16.1)	-	(16.1)
Total movements during the year	694.1	(88.7)	(691.2)	134.5	48.7
Closing balance at 31 December 2024	8 246.4	486.8	1 769.3	793.5	11 296.0

242. Advances from the IRA reserve to projects, repayments of such advances and other movements in the IRA reserve are explained in 2.17.3.
243. Other transfers from/to reserves include allocations approved by the Board, replenishments of reserves and surplus of ISC revenue over PSA expenses and are explained in 2.17.3 and 2.17.4.
244. Cash contributions not designated to a specific programme category fund at the time of confirmation are initially designated as multilateral and unallocated funds and are reported under the General Fund. They are allocated to specific programme categories through transfers between funds.
245. Reserves are established by the Board as facilities for funding and/or financing specific activities under specific circumstances. During 2025, WFP had four active reserves: i) operational reserve; ii) Global Commodity Management Facility reserve; iii) IRA; and iv) PSAEA. The following table presents WFP's reserves.

Note	2025				Total
	Operational reserve 2.17.1	Global Commodity Management Facility 2.17.2	IRA 2.17.3	PSAEA 2.17.4	
Opening balance at 1 January 2025	130.0	6.0	200.4	457.1	793.5
Advances to projects	-	-	(297.3)	-	(297.3)
Repayments by projects	-	-	110.6	-	110.6
Approved Board allocations	-	-	75.0	(3.9)	71.1
Replenishments	-	-	58.9	-	58.9
Shortfall of ISC revenue over PSA expense	-	-	-	(65.2)	(65.2)
Total movements during the year	-	-	(52.8)	(69.1)	(121.9)
Closing balance at 31 December 2025	130.0	6.0	147.6	388.0	671.6

2.17.1 Operational reserve

246. Financial Regulation 10.5 calls for the maintenance of an operational reserve to ensure the continuity of operations in the event of a temporary shortfall of resources. In addition, the operational reserve is used to manage the risk associated with the Internal Project Lending Facility.

247. The balance of the operational reserve at 31 December 2025 is USD 130.0 million.

2.17.2 Global Commodity Management Facility reserve

248. The Global Commodity Management Facility reserve account was established in 2014 to provide for losses sustained by the Global Commodity Management Facility that fall outside insurance coverage (decision 2014/EB.A/8).

249. The balance of the Global Commodity Management Facility reserve at 31 December 2025 is USD 6.0 million.

2.17.3 Immediate Response Account

250. The IRA was established as a flexible resource facility to enable WFP to respond quickly to emergency needs for food and for non-food-related purchase and delivery costs. The target IRA resourcing level in 2025 was USD 400.0 million as established by the Executive Board decision (WFP/EB.2/2024/5-A/1/Rev.1).

251. In 2025, the IRA received USD 58.9 million in replenishments.

252. Advances made to projects totalled USD 297.3 million and repayments by projects amounted to USD 110.6 million.

253. In 2025, the IRA received USD 75.0 million in approved Board allocations transferred from the Unearmarked General Fund (decision WFP/EB.2/2024/5-A/1/Rev.1).

254. Outstanding advances to projects made by the IRA at 31 December 2025 totalled USD 597.7 million (USD 552.0 million in 2024).

2.17.4 Programme support and administrative budget equalization account

255. The PSAEA is a reserve set up to record the difference between ISC revenue and PSA expenses for the financial period.
256. In 2025, the remaining USD 3.9 million approved by the Board in 2024 was allocated from the PSAEA (WFP/EB.A/2024/6-B/1/Rev.1).
257. The shortfall of ISC revenue over PSA expenses totalling USD 65.2 million was transferred from the PSAEA in 2025 (USD 119.1 million surplus in 2024).
258. The PSAEA balance at 31 December 2025 is USD 388.0 million.

Note 3: Revenue

	2025	2024
	<i>USD million</i>	
3.1 Monetary contributions		
Contributions for direct costs	5 750.3	8,602.6
ISC contributions	367.8	576.5
Subtotal	6 118.1	9 179.1
Add/(deduct):		
Refunds, reprogrammes and other increases/(decreases) in contribution revenue	(221.5)	(22.7)
Total monetary contributions	5 896.6	9 156.4
3.2 In-kind contributions		
Commodities in-kind contributions	121.2	561.4
Services and non-food items in-kind contributions	67.9	80.1
Subtotal	189.1	641.5
Deduct:		
Decrease in contribution revenue	(30.7)	(2.7)
Total in-kind contributions	158.4	638.8
3.3 Currency exchange differences		
Realized gains	71.3	18.4
Unrealized gains/(losses)	95.1	(61.9)
Total currency exchange differences	166.4	(43.5)
3.4 Return on investments		
Net realized gains on investments	48.1	96.4
Net unrealized gains on investments	171.5	11.0
Interest earned	228.9	222.7
Total return on investments	448.5	330.1

	2025	2024
	<i>USD million</i>	
3.5 Other revenue		
Revenue generated from provision of goods and services	220.9	260.6
Miscellaneous revenue	34.6	30.7
Total other revenue	255.5	291.3
Total revenue	6 925.4	10 373.1

259. Contribution revenue is adjusted by changes in the levels of the allowance for reduction in contribution revenue (note 2.3), changes in the level of the provision for refunds to donors (note 2.12). Actual refunds and reductions in contribution revenue are made against specific contributions.

260. In-kind contributions represent confirmed contributions of food commodities, services or non-food items during the year.

261. Included in contribution revenue and fund balances are amounts restricted by donors for use in future years as follows:

Restricted for use in	2026	2027	2028	2029	Total
Fund balances at 1 January 2025	133.8	42.9	2.3	-	179.0
Monetary and in-kind contributions in 2025	119.2	24.4	11.1	0.8	155.5
Fund balances at 31 December 2025	253.0	67.3	13.4	0.8	334.5

262. Revenue generated from the provision of goods and services included mainly air operations, logistics and supply chain services, revenue from fuel sales and other services.

Note 4: Expenses

Note 4.1: Cash-based transfers distributed

	2025	2024
	<i>USD million</i>	
Cash and voucher transfers	2 001.3	2 035.9
Commodity voucher transfers	169.1	124.9
Total cash-based transfers distributed	2 170.4	2 160.8

263. Cash-based transfers distributed represent assistance distributed in bank notes, electronic transfers, through debit cards, value vouchers or commodity vouchers. Commodity Voucher is a form of assistance for individuals, households and/or communities in need with a set of predefined food and non-food items, including meals, in fixed quantities, through local supply chains.

264. Cash-based transfers distributed by cooperating partners are USD 193.1 million, in comparison to USD 175.2 million in 2024.

Note 4.2: Commodities distributed

	2025	2024
	<i>USD million</i>	
Food commodities	2 185.3	2 341.2
Non-food items	22.2	31.7
Total commodities distributed	2 207.5	2 372.9

265. Food commodities distributed include cost of commodities as well as transport and related costs between the country in which WFP takes possession and the recipient country. Included in the cost of commodities distributed are pre-delivery losses and post-delivery losses of USD 112.9 million (USD 62.8 million in 2024) (note 9).
266. In 2025, USD 1,992.5 million (2.1 million mt) of food commodities were distributed to beneficiaries through cooperating partners (USD 2,135.9 million, 2.3 million mt in 2024). At 31 December 2025, USD 70.1 million (67.4 thousand mt) of food commodities held by cooperating partners were yet to be distributed to beneficiaries (USD 103.3 million, 94.0 thousand mt at 31 December 2024).
267. Non-food commodities distributed represent costs of goods issued at various strategic storage depots managed by the United Nations Humanitarian Response Depot network, and costs of fuel released from stock under the fuel service provision that WFP carries out in Yemen.

Note 4.3: Distribution and related services

	2025	2024
	<i>USD million</i>	
Food handling and transport costs	480.3	514.0
Cooperating partners' costs	520.3	555.0
Cash transfer transaction charges	43.5	48.2
Other	8.0	21.3
Total distribution and related services	1 052.1	1 138.5

268. Distribution and related services comprise the costs of in-country movement of commodities up to and including the final delivery point, as well as costs incurred through cooperating partners to implement activities on WFP's behalf, such as food and CBT distribution and capacity-strengthening, in accordance with Field-Level Agreements (FLAs) or Memorandums of Understanding (MOUs). This category also includes transaction costs associated with cash-based transfers to beneficiaries.
269. To improve presentation of cooperating partners' costs, some of their related costs reported under "Other" line were reclassified to "Cooperating partners' costs" line in 2025 and 2024. The amount reclassified with regards to 2024 is USD 13.6 million.

Note 4.4: Contracted and other services

	2025	2024
	<i>USD million</i>	
Contracted and other services		
Air operations	103.9	382.1
Cooperating partners' costs	219.9	216.9
Other programme-related expert services	172.3	186.0
Leases	144.6	120.8
Telecommunications/IT related services	36.7	49.8
Security and other services	74.2	75.3
Other contracted services	206.1	229.3
Total contracted and other services	957.7	1 260.2

270. Contracted and other services include costs of air operations, telecommunications, security, operating lease payments, costs arising from agreements with cooperating partners, professional and consultancy services related to programmatic activities, and other contracted services such as office maintenance costs, United Nations common services and contributions to United Nations bodies, and transportation and commodities handling contracted services.
271. To improve presentation of cooperating partners' costs, some of their related costs reported under "Other contracted services" line and "Other programme-related expert services" were reclassified to "Cooperating partners' costs" line in 2025 and 2024. The amount reclassified with regards to 2024 is USD 0.9 million and USD 15.7 million respectively.
272. Lease expenses comprise in-kind leases which are outside of IPSAS 43 scope currently, and lease expenses pertaining to exempt property leases of USD 5.1 million, shipping agreements of USD 0.9 million and aircraft leases of USD 80.0 million. Costs related to variable lease payments are not included in the measurement of lease liabilities and are expensed in Statement II, Financial Performance. Such costs amounted to USD 20.0 million. In addition, USD 46.7 million pertaining to exempt shipping transport costs are included in the capitalized value of food commodities (note 2.4).

Note 4.5: Staff and affiliated workforce costs

	2025	2024
	<i>USD million</i>	
Staff Costs		
Salary	630.4	615.4
Contribution to UNJSPF	145.9	144.3
Post employment benefits	122.3	101.0
Staff allowances and entitlements	216.8	228.7
Terminations and other personnel costs	42.5	22.4
Total staff cost	1 157.9	1 111.8
Headcount - staff	11 427	12 322

	2025	2024
	<i>USD million</i>	
Affiliated Workforce Costs		
Salary	288.1	312.0
Other Personnel Cost	94.9	102.4
Total affiliated workforce cost	383.0	414.4
Headcount- affiliated workforce	8 427	10 116
Grand total staff and affiliated workforce cost	1 540.9	1 526.2
Total headcount	19 854	22 438

273. Staff costs represent WFP's international and national staff members' salaries, employment and post-employment related benefits and entitlements. International staff members in professional and higher categories are paid on the basis of salary scales applied worldwide and established by the General Assembly of the United Nations on the recommendation of International Civil Service Commission (ICSC). The salary scales for National Professional Officers and staff members in the General Service category are established in accordance with the best prevailing conditions of service in the locality on the basis of salary surveys conducted in accordance with a methodology approved by the General Assembly.
274. The annual pensionable remuneration for the purposes of pension fund (UNJSPF) benefits and pension contributions is determined by the pensionable remuneration table currently in effect as published by the ICSC. The organizational share is currently established at 15.8 percent of pensionable remuneration.
275. Details of staff members post-employment benefits are disclosed in the Note 2.13, Employee benefits. The annual expense cost (current and past) as well as remeasurement on the other separation-related benefits are recognized in Statement II of Financial Performance and disclosed in Note 4.5, Post employment benefits line.
276. Staff allowances and entitlements comprise education grant, dependency benefits, and other entitlements applicable to staff serving outside the headquarters.
277. Termination and other personnel costs included termination indemnity costs (incurred and accrued) of international and national staff members for agreed separations and special separation measures of the total amount of USD 41.7 million.
278. Affiliate workforce costs include salaries and other personnel costs applicable to consultants, Service Contracts and Special Service Agreements.

Note 4.6: Supplies, consumables and other running costs

	2025	2024
	<i>USD million</i>	
Supplies and consumables for beneficiaries	129.6	109.8
Equipment	60.8	72.2
Telecommunications and IT	42.1	38.3
Office supplies and consumables	37.3	43.3
Utilities	7.3	10.1
Vehicle maintenance and running costs	26.6	29.7
Total supplies, consumables and other running costs	303.7	303.4

279. Supplies and consumables for beneficiaries represent low-value, high-volume non-food items procured for distribution to beneficiaries and partners, such as IT materials, educational supplies, construction and workshop items, and other operational tools and materials. These items are expensed upon acquisition as they are intended solely for immediate handover rather than WFP's own use. In 2024 these expenses were presented as part of telecommunications and IT, equipment, office supplies and consumables, and vehicle maintenance and running costs.
280. Other items of supplies, consumables and running costs include telecommunications and IT services, equipment for operational use, office supplies and consumables, utilities, and vehicle maintenance and running costs procured for WFP own use.

Note 4.7: Depreciation and amortization costs, finance costs, travel, and other expenses

	2025	2024
	<i>USD million</i>	
Depreciation and amortization		
Depreciation of property, plant and equipment	66.8	64.4
Depreciation of right-of-use assets	163.1	-
Amortization of intangible assets	6.6	4.7
Total depreciation and amortization	236.5	69.1
Travel costs		
	80.2	132.4
Finance costs		
Finance costs	12.3	15.4
Interest expense on lease liabilities	20.9	-
Total finance costs	33.2	15.4
Other expenses		
Maintenance services	8.2	9.6
Insurance	16.9	21.2
Impairment and write-offs	14.2	15.2
Revaluation of inventory to net realizable value	(39.5)	(51.5)
Other	77.3	67.1
Total other expenses	77.1	61.6

281. Depreciation and amortization relate to the systematic allocation of the cost of property, plant and equipment, right-of-use assets and intangible assets over their useful lives.
282. Travel costs relate to expenses incurred for authorized duty travel, including transportation, accommodation, daily subsistence allowances and other eligible costs. Starting from 2025, travel costs are reported as a separate expense line in the Statement II of Financial Performance. Prior to that travel costs were presented under the staff costs line.
283. Finance costs include loan interest expense, bank charges and investment management and custodian fees, and interest expense on leases.
284. Other expenses include maintenance expenses, insurance premiums, revaluation of inventory to net realizable value, impairments and write-offs as well as expenses such as advocacy and training.

Note 5: Statement of Cash Flow

285. Cash flows from operating activities are not adjusted for donations of commodities-in-kind or services-in-kind as these donations have no impact on cash movements. Cash flows from investing activities are shown net of items where the turnover is rapid, the amounts are large, and the maturities are short.

Note 6: Statement of Comparison of Budget and Actual Amounts

286. WFP's budget and financial statements are prepared using different bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flow are prepared on a full accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance, whereas the Statement of Comparison of Budget and Actual Amounts is prepared on a commitment accounting basis.
287. As required under IPSAS 24, "Presentation of Budget Information in Financial Statements", the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing and entity differences. There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.
288. Budget amounts have been presented on a functional classification basis in accordance with the management plan (2025–2027), which presents a breakdown of the budget by year.
289. Statement V includes a column – implementation plan – which represents prioritized operational needs for approved CSPs, derived from the final budget, considering funding forecasts, available resources and operational challenges. Considering that WFP is a voluntarily funded organization and its operations and financial management therefore depend on the level of funding received.
290. Explanations of material differences between the original budget and final budget, final budget and the actual amounts, and implementation plan and the actual amounts are presented under the budget analysis section of the Executive Director's statement.
291. Basis differences occur when the approved budget is prepared on a basis other than the accounting basis. For WFP, the budget is prepared on the commitment basis, and the financial statements are prepared on the accrual basis. Open commitments including open purchase orders and net cash flows from operating, investing and financing activities are presented as basis differences.
292. Presentation differences are due to differences in the format and classification schemes adopted for presentation of Statement of Cash Flow and Statement of Comparison of Budget and Actual Amounts. Revenue and non-fund relevant expenses that do not form part of the Statement of Comparison of Budget and Actual Amounts are reflected as presentation differences.
293. Entity differences occur when the budget omits programmes or entities that are part of the entity for which the financial statements are prepared. Under entity differences, trust funds form part of WFP activities and are reported in the financial statements but, as they are considered extra-budgetary resources, are excluded from the budget.
294. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for WFP for purposes of comparison of budget and actual amounts.

295. A reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Cash Flow (Statement IV) for the year ended 31 December 2025 is presented below.

	Operating	Investing	Financing	Total
	<i>USD million</i>			
Actual amount on comparable basis (Statement V)	(7 920.4)	-	-	(7 920.4)
Basis differences	1 342.8	(666.0)	(163.7)	513.1
Presentation differences	6 658.7	-	-	6 658.7
Entity differences	(94.2)	-	-	(94.2)
Actual amount in the Statement of Cash Flow (Statement IV)	(13.1)	(666.0)	(163.7)	(842.8)

Note 7: Segment reporting

Note 7.1: Statement of Financial Position by segment

					2025	2024
	Programme category funds	General Fund and Special Accounts	Trust funds	Inter-segment transactions	Total	
	<i>USD million</i>					
Assets						
Current assets						
Cash, cash equivalents and short-term investments	2 795.1	1 209.4	593.0	-	4 597.5	5 098.5
Contributions receivable	3 779.9	107.9	177.5	-	4 065.3	5 245.3
Inventories	604.2	99.5	0.2	-	703.9	1 044.1
Other receivables	267.7	913.9	3.4	(836.4)	348.6	352.6
	7 446.9	2 330.7	774.1	(836.4)	9 715.3	11 740.5
Non-current assets						
Contributions receivable	82.2	4.2	8.7	-	95.1	189.5
Long-term investments	-	1 552.9	-	-	1 552.9	1 316.8
Property, plant and equipment	179.7	99.5	1.5	-	280.7	270.6
Intangible assets	0.1	25.9	0.4	-	26.4	25.9
Other receivables	1.1	-	-	-	1.1	-
Right-of-use assets	366.1	-	-	-	366.1	-
	629.2	1 682.5	10.6	-	2 322.3	1 802.8
Total assets	8 076.1	4 013.2	784.7	(836.4)	12 037.6	13 543.3

					2025	2024
	Programme category funds	General Fund and Special Accounts	Trust funds	Inter-segment transactions	Total	
<i>USD million</i>						
Liabilities						
Current liabilities						
Payables and accruals	1 171.2	281.0	291.1	(836.4)	906.9	1 148.3
Deferred revenue	14.2	10.3	0.2	-	24.7	13.9
Provisions	4.5	1.2	1.3	-	7.0	7.0
Employee benefits	-	55.6	-	-	55.6	52.7
Loan	-	5.5	-	-	5.5	5.6
Lease liabilities - Current	128.0	7.5	-	-	135.5	0.0
	1 317.9	361.1	292.6	(836.4)	1 135.2	1 227.5
Non-current liabilities						
Deferred revenue	15.1	-	-	-	15.1	10.7
Employee benefits	-	952.2	-	-	952.2	976.2
Loan	-	27.3	-	-	27.3	32.9
Lease liabilities - Non-Current	208.5	26.9	-	-	235.4	-
Provisions	1.5	-	-	-	1.5	-
	225.1	1 006.4	-	-	1 231.5	1 019.8
Total liabilities	1 543.0	1 367.5	292.6	(836.4)	2 366.7	2 247.3
Net assets	6 533.1	2 645.7	492.1	-	9 670.9	11 296.0
Fund balances and reserves						
Fund balances	6 533.1	1,974.1	492.1	-	8 999.3	10 502.5
Reserves	-	671.6	-	-	671.6	793.5
Total fund balances and reserves, 31 December 2025	6 533.1	2 645.7	492.1	-	9 670.9	11 296.0
Total fund balances and reserves, 31 December 2024	8 246.4	2 562.8	486.8	-	11 296.0	

Note 7.2: Statement of Financial Performance by segment

	2025				2024	
	Programme category funds	General Fund and Special Accounts	Trust funds	Inter-segment transactions	Total	
<i>USD million</i>						
Revenue						
Monetary contributions	4 834.5	862.5	199.6	-	5 896.6	9 156.4
In-kind contributions	103.3	55.0	0.1	-	158.4	638.8
Currency exchange differences	22.7	143.2	0.5	-	166.4	(43.5)

	2025				2024	
	Programme category funds	General Fund and Special Accounts	Trust funds	Inter-segment transactions	Total	
<i>USD million</i>						
Return on investments	12.1	435.0	1.4	-	448.5	330.1
Other revenue	319.3	822.9	1.6	(888.3)	255.5	291.3
Total revenue	5 291.9	2 318.6	203.2	(888.3)	6 925.4	10 373.1
Expenses						
Cash-based transfers distributed	2 170.4	-	-	-	2 170.4	2 160.8
Commodities distributed	2 199.9	571.0	-	(563.4)	2 207.5	2 372.9
Distribution and related services	1 039.2	18.4	0.6	(6.1)	1 052.1	1 138.5
Contracted and other services	903.7	223.0	22.6	(191.6)	957.7	1 260.2
Staff costs	621.9	512.2	25.7	(1.9)	1 157.9	1 111.8
Affiliated workforce costs	262.5	102.5	28.0	(10.0)	383.0	414.4
Supplies, consumable and other running costs	256.8	57.7	1.8	(12.6)	303.7	303.4
Depreciation and Amortization	190.4	45.6	0.5	-	236.5	69.1
Travel costs	69.2	12.3	3.7	(5.0)	80.2	132.4
Finance costs	25.9	7.3	-	-	33.2	15.4
Other expenses	66.1	97.4	11.3	(97.7)	77.1	61.6
Total expenses	7 806.0	1 647.4	94.2	(888.3)	8 659.3	9 040.5
Surplus (deficit) for the year, 2025	(2 514.1)	671.2	109.0	-	(1 733.9)	1 332.6
Surplus (deficit) for the year, 2024	451.9	805.6	75.1	-	1 332.6	

296. Cash and cash equivalents and short-term investments are presented as separate line items on the face of the Statement of Financial Position and presented together under segment reporting. The table below reconciles the amounts reported in the Statement of Financial Position and segment reporting.

	2025	2024
<i>USD million</i>		
Cash and cash equivalents	2 004.3	2 849.4
Short-term investments	2 593.2	2 249.1
Total cash and cash equivalents and short-term investments	4 597.5	5 098.5

297. Some internal activities lead to accounting transactions that created inter-segment revenue and expense balances in the financial statements. Inter-segment transactions are reflected in the tables above to accurately present these financial statements.

298. Fund balances under programme category funds and trust funds represent the unexpended portion of contributions that are intended to be utilized for future operational requirements of the Programme.

Note 8: Commitments and contingencies

Note 8.1: Commitments

299. At 31 December 2024, WFP had commitments for the acquisition of food commodities, transportation, services, non-food items, and capital commitments contracted but not delivered as follows:

	2025	2024
	<i>USD million</i>	
Food commodities	183.6	307.2
Transportation – Food commodities	138.8	156.8
Services	406.6	480.1
Non-food items	105.4	116.4
Capital commitments	11.4	27.6
Total open commitments	845.8	1 088.1

300. These commitments will be recognized as expenses in future financial periods and will be settled from the unexpended portion of contributions after receipt of the related goods or services.

Note 8.2: Contingent liabilities and contingent assets

Contingent assets – donor contributions

301. WFP signed contribution agreements valued at USD 480.7 million at the end of 2025 (2024: USD 137.6 million), which are expected to be confirmed by the donor at a future date as they are subject to parliamentary appropriation or final confirmation of budget availability.

Contingent assets – other

302. In 2005, two WFP employees in WFP's then Regional Bureau for Southern Africa committed fraud resulting in a USD 6.0 million loss. Criminal proceedings began in 2008, and the South African authorities restrained the employees' known assets valued at ZAR 40 million (USD 2.4 million at 31 December 2025). The two employees were convicted and sentenced to 25 years' imprisonment; one subsequently died in custody.

303. In parallel, WFP initiated arbitration to recover the misappropriated funds. The arbitral tribunal issued a default award in WFP's favour for USD 5.5 million plus interest and costs. The High Court of South Africa made the arbitral award an enforceable court order, which is now final. Once the confiscation order for the defendants' assets is obtained, WFP will be able to execute the arbitral award against the assets held by the curator bonis. As of 31 December 2025, relevant proceedings remain pending.

Note 9: Losses, *ex-gratia* payments and write-offs

304. WFP financial regulation 12.3 provides that "The Executive Director may make such *ex-gratia* payments as the Executive Director deems necessary in the interest of WFP. The Executive Director shall report all such payments to the Board with the financial statements". In addition, financial regulation 12.4 provides that "The Executive Director may, after full investigation, authorize the writing off of losses of cash, commodities and other assets, provided that a statement of all amounts written off shall be submitted to the External Auditor with the financial statements."

305. The following table details *ex-gratia* payments, contributions receivable write-offs and losses of food commodities, property, plant and equipment and other assets.

	2025	2024
	<i>USD million</i>	
<i>Ex-gratia</i> payments	1.5	9.6
Contributions receivable write-offs	1.3	1.3
Food commodity losses	112.9	62.8
Non-food item losses	0.5	1.9
Other assets and cash losses	1.6	1.7
Property, plant and equipment losses	0.2	2.2
	<i>mt</i>	
Commodity losses (quantity)	129 659	57 440

306. *Ex-gratia* payments pertain to critical issues affecting WFP personnel where there is no legal obligation, but where the moral obligation is such as to make the payments desirable in the interest of the organization. In 2024, the Executive Director approved the extension of special separation measures for national employees affected by staffing reductions in country and regional offices until 31 December 2025. Such special measures included *ex-gratia* payments to affiliate employees for end of service with WFP, which are otherwise not granted to affiliate employees under the current WFP's human resources framework, but that were necessary to ensure duty of care by WFP towards its employees. From 2026, the special measures, including end of service payments to affiliate employees, will be incorporated into WFP's human resources framework.

307. Contributions receivable write-offs relate to the write-off of receivables from donors. The other assets and cash losses are related mainly to cash-based transfer losses and write-offs of other receivables. During 2025, USD 0.1 million was recovered from the third parties related to cash-based transfers. The other assets and cash losses are related mainly to cash-based transfer losses and write-offs of other receivables. Losses of capitalized property, plant and equipment that arise from damage, theft, and other write-offs identified through WFP's periodic asset verification processes totalled USD 0.2 million (USD 2.2 million in 2024), measured at the net book value of the assets derecognized.

308. Food commodity losses include all losses that occur from the first receipt of the commodity in WFP's custody until distribution to the people WFP serves, either directly or through the cooperating partners. These losses are insured by the WFP cargo self-insurance scheme up to the point at which commodities are distributed or handed over to cooperating partners in case of distribution through cooperating partners. During 2025, USD 14.7 million was recovered from insurers and the third parties responsible for the food commodity losses (USD 15.7 million in 2024). The non-food item losses are related mainly to warehouse losses.

309. In 2025, fraud substantiated by the Office of Inspections and Investigations resulted in financial losses of USD 4.1 million of which USD 0.2 million was recovered (USD 6.5 million in 2024, USD 0.8 million was recovered). As at 31 December 2025, presumptive fraud related to ongoing investigations where amounts can be reasonably estimated, was valued at USD 3.9 million involving fraudulent practices by partners, third parties and WFP personnel (USD 3.6 million in 2024). In addition, the Office of Inspections and Investigations reviewed

and reported the cases of theft and embezzlement of USD 30.2 million of which USD 0.2 million was recovered (USD 12.2 million in 2024, USD 0.5 million was recovered). The total number of fraud, presumptive fraud, theft, and embezzlement cases are 362 in 2025, compared to 370 in 2024.

Note 10: Related party and other senior management disclosure

Note 10.1: Key management personnel

	Number of individuals	Number of positions	Compensation and post adjustment	Entitlements and benefits	Pension and health plans	Total remuneration	Outstanding advances against entitlements
<i>USD million</i>							
Key management personnel, 2025	8	7	1.4	0.7	0.4	2.5	0.4
Key management personnel, 2024	9	7	1.2	0.8	0.4	2.4	0.2

310. Key management personnel are the Executive Director, Deputy Executive Director, Assistant Executive Directors, Chief of Staff and Chief Financial Officer as they have the authority and responsibility for planning, directing, and controlling the activities of WFP.

Note 10.2: Other senior management

	Number of individuals	Number of positions	Compensation and post adjustment	Entitlements and benefits	Pension and health plans	Total remuneration	Outstanding advances against entitlements
<i>USD million</i>							
Other senior management, 2025	24	21	3.8	1.4	1.2	6.4	1.0
Other senior management, 2024	35	32	3.7	1.6	1.2	6.5	0.7

311. In addition to key management personnel whose remuneration, advances and loans are required to be disclosed under IPSAS 20, "Related Party Disclosures", similar disclosure is also made for other senior management of WFP for the sake of completeness and transparency. Other senior management include regional directors and headquarters divisional directors. The Executive Board consists of 36 Member States without personal appointment, as such they are not considered related parties.

312. The tables above detail the number of positions and the number of staff who held these positions over the course of the year.

313. The aggregate remuneration paid to key management personnel and other senior management includes net salaries; post adjustment; entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal

effect shipment costs; post-employment benefits; other long-term employee benefits and employer pension and current health insurance contributions.

314. Key management personnel and other senior management qualify for post-employment benefits and other long-term employee benefits at the same level as other employees. The actuarial assumptions applied to measure such employee benefits are disclosed in note 2.13. Key management personnel and other senior management are ordinary members of the UNJSPF.
315. During 2025, compensation in the form of remuneration, entitlements and benefits provided to close members of the family of other senior management amounted to USD 0.6 million. There are no close members of key management personnel employed by WFP (in 2024 USD 0.1 for close members of key management personnel and USD 0.8 million for other senior management).
316. Advances are those made against entitlements in accordance with staff rules and regulations and are widely available to all WFP staff.

Note 11: Interest in other entities

International Computing Centre

317. The International Computing Centre (ICC) was established in January 1971 pursuant to Resolution 2741 (XXV) of the United Nations General Assembly. The ICC provides IT and communications services to partners and users in the United Nations system. As a partner bound by the mandate of the ICC, WFP would be proportionately responsible for any third-party claim or liability arising from or related to services of the ICC as specified in the ICC mandate. At 31 December 2025, there are no known claims that impact WFP. Ownership of assets is with ICC until dissolution. Upon dissolution, the division of all assets and liabilities among partner organizations shall be agreed by the management committee in accordance with a formula defined at that time.

African Risk Capacity

318. WFP and the African Risk Capacity (ARC) signed an administrative service agreement in June 2015 expiring on 31 August 2027. ARC is a specialized agency of the African Union that shares the goal of promoting food security with WFP.
319. While ARC is a separate legal entity, its financial and operating policies with reference to this agreement are subject to WFP rules. Funds received under this agreement are held under an ARC trust fund by WFP. WFP provides technical, administrative, personnel, and project management services to ARC. The Director-General of the ARC is employed by WFP and is accountable to both the WFP Executive Director and ARC. The agreement is considered a joint operation where, based on the terms of the agreement, the financial transactions of ARC are consolidated within WFP's financial statements. As at 31 December 2025, the accumulated surplus held under an ARC trust fund totalled USD 28.4 million.

UN Fleet

320. In 2022, WFP and UNHCR signed a Memorandum of Understanding to establish a joint operation for the provision of fleet solutions including vehicle leasing, insurance services and other related services to the UN system. UN Fleet is jointly governed and funded by WFP and UNHCR. UN Fleet commenced operations in 2023. UN Fleet is a joint operation where each party has rights to the assets and obligations for the liabilities of UN Fleet proportionate to their respective outstanding funding, or, if a party has no outstanding funding, equally, rather than to its net assets. WFP recognizes its share of assets, liabilities, revenues and expenses held or incurred jointly with UNHCR. In 2025, the WFP share of UN Fleet's total current assets of USD 4.7 million, non-current assets of USD 13.8 million and

liabilities of USD 21.3 million was recorded in the Statement of Financial Position. USD 0.5 million of surplus from UN Fleet operations, representing WFP's share, was recorded in the Statement of Financial Performance.

Note 12: Events after reporting date

321. WFP's reporting date is 31 December 2025. No material events, favourable or unfavourable, occurred that would have impacted the present financial statements.
322. However, subsequent to the reporting date, the geopolitical instability in the Middle East has intensified, leading to significant regional volatility. Globally, energy prices surged with crude oil rising between 10 and 13 percent, with a primary driver being the potential closure of the Strait of Hormuz, a critical waterway for over 20 percent of global oil and liquefied natural gas. Financial markets reacted by increased volatility of equities and yields on government bonds rose as investors reassessed the outlook for inflation and interest rates, fearing that energy price shocks could delay expected rate cuts. USD currency strengthened as capital shifted toward liquidity and the perceived safety of the world's primary reserve currency.
323. While these developments may affect future WFP's operational costs and to some extent, investments carrying values, they represent conditions that arose after the reporting period. Consequently, no adjustments have been made to the financial statements for the year ended 31 December 2025. At this stage, it is not possible to provide a reliable estimate of the precise monetary impact due to the evolving nature of the crisis and the uncertainty regarding its duration and scale. WFP continues to monitor the situation to mitigate potential financial and operational risks.

ANNEX

	Name	Address
WFP	World Food Programme	Via Cesare Giulio Viola 68/70 Parco de' Medici 00148 Rome, Italy
General Counsel and Director, Legal Office	Bartolomeo Migone	Via Cesare Giulio Viola 68/70 Parco de' Medici 00148 Rome, Italy
Actuaries	Ernst & Young Advisory	Tour First, 1 place des Saisons 92037 Paris La Défense France
Principal Bankers	Citibank N.A.	Via Mercanti, 12 20121 Milan, Italy
	Standard Chartered Plc	1 Basinghall Avenue London, EC2V 5DD United Kingdom
External Auditor	President of the Federal Court of Auditors (Germany)	Adenauerallee 81 53113, Bonn Germany

Acronyms

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ARC	African Risk Capacity
ASMP	after-service medical plan
BMIP	Basic Medical Insurance Plan
COMET	country office tool for managing effectively
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSP	country strategic plan
DSC	direct support costs
ECL	expected credit loss
FAO	Food and Agriculture Organization of the United Nations
GCMF	Global Commodity Management Facility
IATI	International Aid Transparency Initiative
ICC	International Computing Centre
ICSP	Interim country strategic plan
IDM	identity management
IPSAS	International Public Sector Accounting Standards
IRA	Immediate Response Account
ISC	indirect support costs
LESS	Logistics Execution Support System
MICS	Medical Insurance Coverage Scheme
MPO	micro-purchase order
MSCI	Morgan Stanley Capital International
NGO	non-governmental organization
NPO	national professional officer
OIG	Inspector General and Oversight Office
OSRB	other separation-related benefits
PSA	Programme Support and Administrative (budget)
PSAEA	Programme Support and Administrative Equalization Account
PSEA	protection from sexual exploitation and abuse
SCOPE	WFP's beneficiary information and transfer management platform
SCP	Staff Compensation Plan
SDG	Sustainable Development Goal
SPPI	solely payments of principal and interest
SPS	Separation Payment Scheme

STRIPS	United States Treasury Separate Trading of Registered Interest and Principal of Securities
TPA	third-party agreement
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICC	United Nations International Computing Centre
UNICEF	United Nations Children's Fund
UNJSPF	United Nations Joint Staff Pension Fund
UNOPS	United Nations Office for Project Services
UNPKO	United Nations Peacekeeping Operations
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
VAT	value-added tax
WINGS	WFP Information Network and Global System