Proposed Expansion of Twinning Eligibility - Executive Board Informal Consultation

10 September 2026

Expanding Twinning Eligibility: EB engagement to date

FEBRUARY 2026

- Strategic Dialogue on Funding Model Review
- Workshop on WFP's financial concepts

MAY 2026

- Update on the Funding Model Review (including twinning)

JULY 2026

- Informal list meetings on the twinning proposal
- Update on the proposal to expand twinning eligibility

SEPTEMBER 2026

- **1st Sep:** Workshop on Expanding Twinning Eligibility
- **10th Sep**: Informal Consultation on Expanding Twinning Eligibility

OCT-NOV 2026

- ACABQ and FAO Finance Committee reviews of the twinning proposal document

NOVEMBER 2026

Second Regular Session of the Board

- Expanding twinning eligibility proposal put for approval

Relevant General Regulation and General Rules linked to Twinning

General Regulation XIII.2

Donors may contribute appropriate commodities, cash and acceptable services in accordance with the general rules made pursuant to these General Regulations. Except as otherwise provided in such general rules in respect of developing countries, countries with economies in transition and other nontraditional donors, or in respect of other exceptional situations, each donor shall provide cash contributions sufficient to cover the full operational and support costs of its contributions.'

General Rule XIII.4(c)

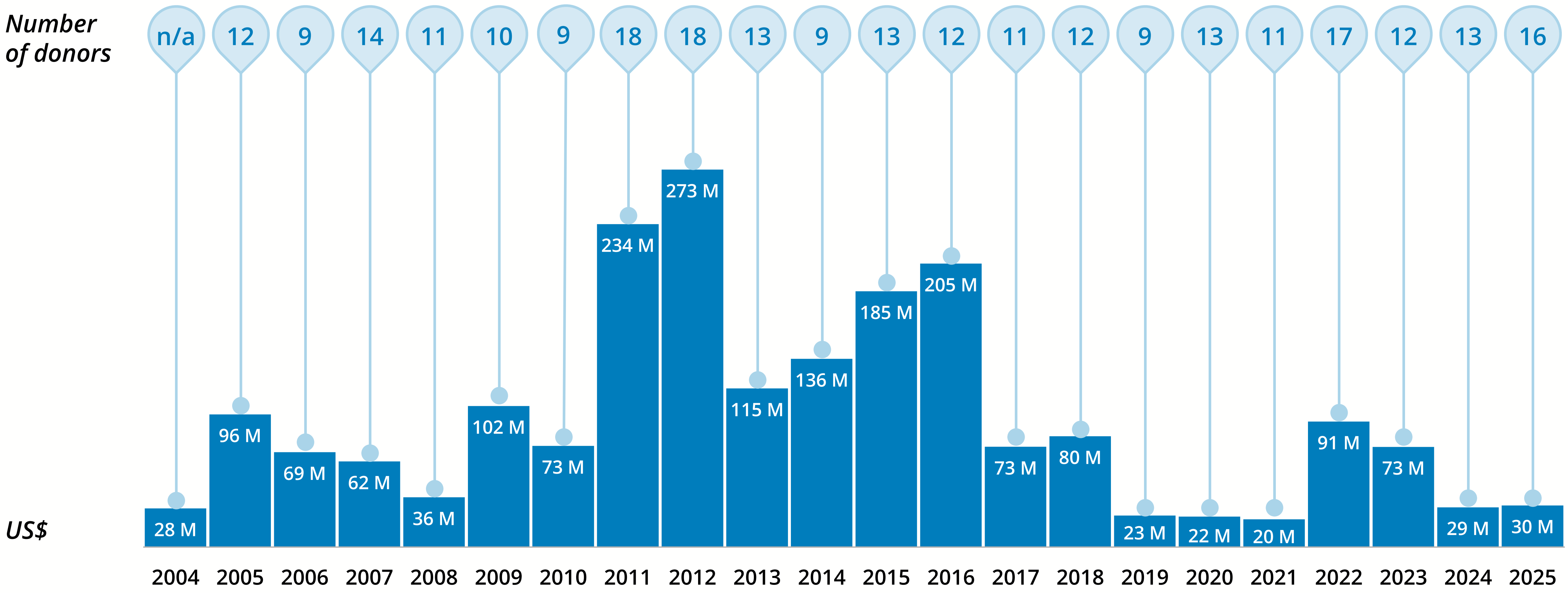
Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board, may make contributions that do not achieve full cost recovery, provided that:
the full operational and support costs are covered through contributions by another donor or donors, through the monetization of part of the contribution and/or through resort to the WFP Fund;

i. such contributions are in the interests of the Programme and do not result in any disproportionate administrative or reporting burden to the Programme; and

ii. the Executive Director considers that accepting the contribution is in the interests of the beneficiaries of the Programme.

Twinning Stats - 2004 to 2025

Annual amount in USD millions and number of donors



Why we are considering an expansion of Twinning Eligibility

THE FUNDING CONTEXT

- Operational requirements remain persistently high
- Confirmed contributions are declining
- Need to broaden WFP's donor base and contribution channels

WHY TWINNING MATTERS

- Unlock resources that would otherwise not materialize
- Mobilize new forms of partnership
- Help programme countries become contributors

The rationale: protect WFP's financial model while building a diversified, resilient funding base.

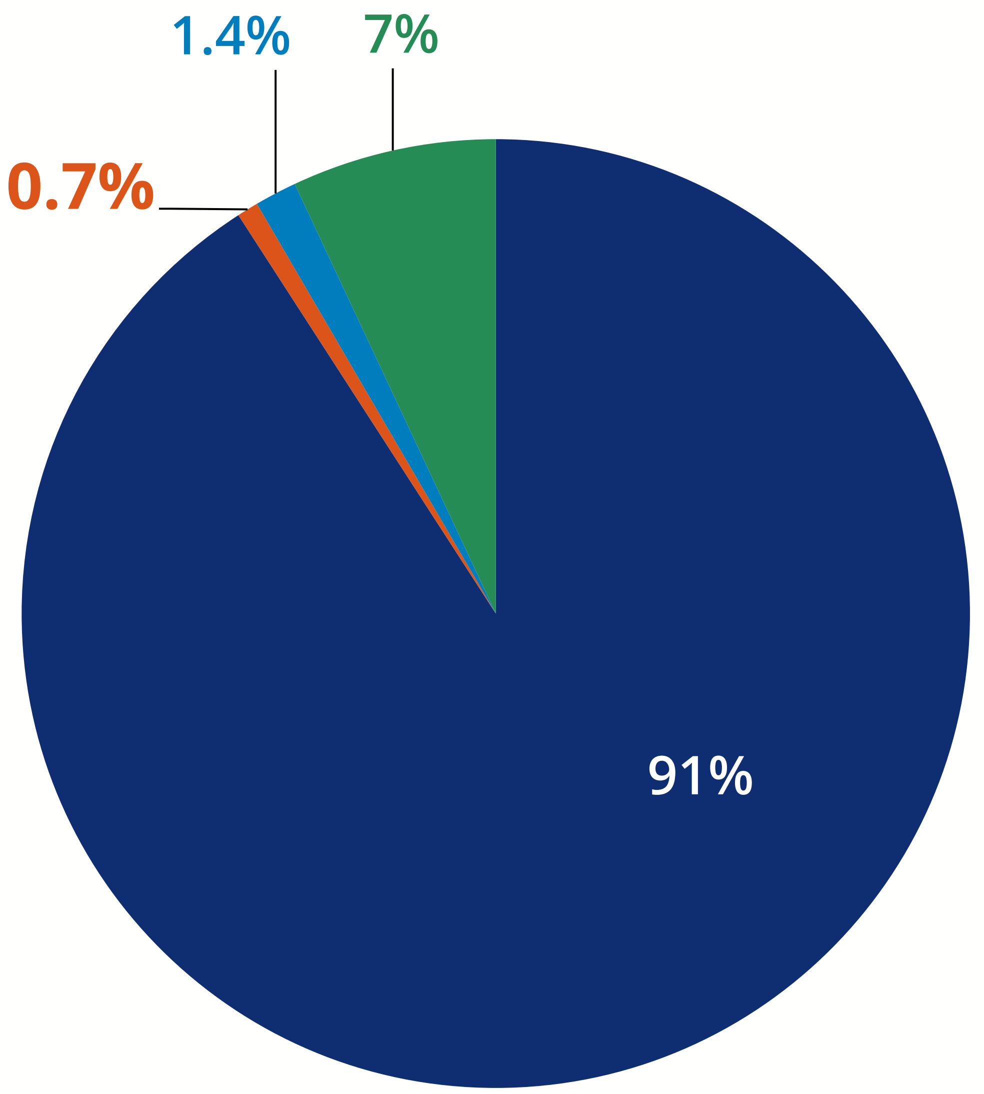
10-Year Average Share of WFP Contributions [2016 – 2025]

HIGH-INCOME COUNTRIES

UPPER MIDDLE-INCOME COUNTRIES

LEAST DEVELOPMENT/ LOW AND LOWER-INCOME COUNTRIES

OTHER FUNDING SOURCES



Proposal: Limited Expansion of Twinning Eligibility

PROPOSAL: *Expansion of twinning eligibility to include **'Upper Middle-Income Countries'***

- *Given limited expansion, no General Rule amendment required—only EB approval of the eligibility definition*

NEWLY ELIGIBLE DONORS

- 'Upper Middle-Income Countries' (UMICs)

Include guardrails to govern this expansion

EXISTING ELIGIBLE DONORS

- 'developing countries, countries with economies in transition and non-traditional donors as defined by the Board'

Defined by the Board as:

- "least-developed", "low-income" and "lower-middle income"
- Private Sector
- Vertical Funds

Maintain status-quo with a technical adjustment*

** The EB has previously clarified that 'developing countries' and 'countries with economies in transition' are to be identified as OECD-defined 'least developed country', 'low income' and 'lower-middle' income countries. Further to discussions to date, we propose to <u>replace</u> the OECD-DAC classification (which is updated every 3 years) with the World Bank classification (which is updated annually) for the purpose of defining twinning eligibility.*

Proposed parameters to support governance of expanded eligibility

No access to the WFP Fund (e.g. Emerging Donor Matching Fund, monetization etc.)

Newly eligible donors would not have access to WFP funds nor monetization

Identifying own twinning partners

Newly eligible donors will need to identify their own twinning partners; WFP may advise but will not be responsible for identifying 'associated costs' donors

Consistency check for modality

Validating alignment of the twinning contribution with the existing modality(ies) planned in the relevant CSP/activity

Twinning Cap for newly eligible donors

Proposed twinning cap of 10% of WFP's annual global forecast - equivalent to USD 640 million in 2026

Limit Individual donor twinning to 10% of the overall cap (equivalent to USD 64 million in 2026), to ensure opportunities for multiple donors

Expanded Reporting to Executive Board

Enhance existing EB reporting to provide additional annual oversight and transparency, which will also support continuous & dynamic review of parameters

Additionally, proposed review in 3 years to assess impact and effectiveness, and leverage the opportunity to adjust

Expanded annual reporting would include:

- Breakdown of twinning arrangements by eligibility and type of donor
- Details on the use of caps (total and by donor) for upper middle-income countries
- Visibility on modality provided under twinning contributions
- Added visibility on donors that provide associated costs
- Enhanced narrative including success stories & declined opportunities

NEXT STEPS

1

September Consultations

Gather feedback on the updated proposal and incorporate into the final proposal paper.

2

Financial Governing Bodies review of twinning proposal

ACABQ and FAO FC review of the twinning paper in Oct-Nov

3

*Presenting for EB Approval**

Seek Executive Board approval at the Second Regular Session in November

*Draft Decision Language

Having considered the document entitled “Expanding Twinning Eligibility” (WFP/XXXX), the Board:

i. *recalls* that, since 2004 (WFP/EB.3/2004/4-C), the OECD Development Assistance Committee (DAC) classifications of “least developed,” “low-income,” and “lower-middle-income” countries have been used to determine the eligibility of government donors for contributions that do not achieve full cost recovery under the provision now set forth in General Rule XIII.4(c);

ii. *decides* to replace the OECD-DAC classification with the World Bank Group classification for purposes of determining country eligibility for assistance in meeting full cost recovery under General Rule XIII.4(c), such that countries classified by the World Bank Group as “low-income” or “lower-middle-income” shall be eligible for such assistance;

iii. *decides*, subject to the parameters set forth in paragraphs [XX-XX] of this document, that countries classified as “upper-middle income” by the World Bank Group shall also be eligible to make contributions that do not achieve full cost recovery under General Rule XIII.4 (c), except that the full operational and support costs of such contributions shall be covered through contributions from another donor or donors, without resort to the WFP Fund or to monetization;

iv. *further decides* that these criteria shall apply to contributions received pursuant to agreements entered into after the date of this decision; and

v. *welcomes* the enhanced reporting on contributions received under General Rule XIII.4(c) and the review of expanded eligibility to be undertaken in accordance with paragraphs [XX–XX] of this document.

Thank you