

# Utilization of the Programme Support and Administrative Equalization Account reserve

2020 Annual Session of the Executive Board  
*29 June 2020*

# Programme Support and Administrative Equalization Account

The PSAEA records the **difference between WFP's ISC revenues and PSA expenses** for the financial period

The PSAEA can be used:

- a) To **cover any difference** between ISC income and approved PSA expenditures;
- b) As a reserve to **underwrite risk of decreases** in ISC income or underfunding of the PSA budget;
- c) For **CCIs** or thematic support funds; and
- d) For strengthening **WFP's reserves**

Any use of the balance in the PSAEA requires the **approval of the Executive Board**

So far, WFP enabled a **healthy utilization** of this reserve

# The Immediate Response Account

The IRA is an advance financing mechanism that enables WFP to provide **immediate assistance** in life-threatening situations in the **absence of forecasted contributions**

**USD 161 million** allocated under the IRA to 67 crisis response activities in 2019

**Largest allocations** made to

- Mozambique (USD 40.5 million)
- Yemen (USD 25.4 million)
- South Sudan (USD 20.0 million)
- Zimbabwe (USD 14.5 million)

## Increase in IRA requests in 2020

IRA allocations **increased significantly in 2020**, due to worsened situations in ongoing emergencies and the COVID-19 outbreak, reaching an average of **USD 20 million per month**

A **further increase in requests** is foreseen, due to the impact of the COVID-19 outbreak on WFP operations

The level of **donor contributions directed to the IRA** remains very low compared with the increasing demand for allocations

While WFP continues to seek additional donor contributions to the IRA, its **timely replenishment from WFP's reserves** will help address concurrent requests for funding needed for life-saving activities

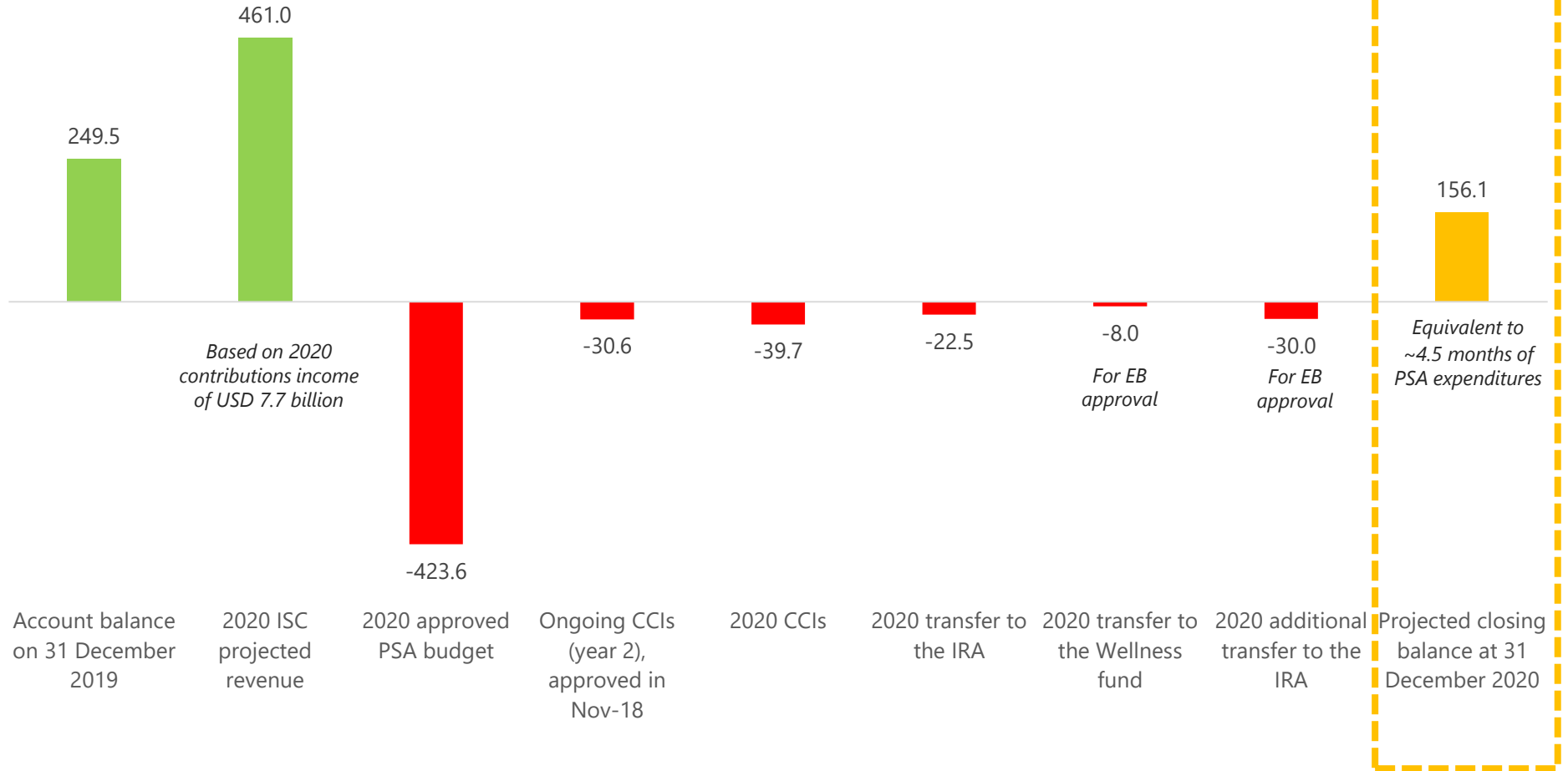
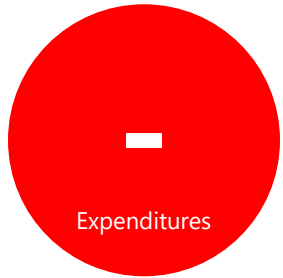
## Transfer of USD 30 M from PSAEA to IRA

It is proposed to **transfer USD 30 million from the PSAEA to the IRA**, to allow covering IRA requests for quarter 3 and quarter 4 of 2020

Such allocation falls within one of the **purposes foreseen for the PSAEA** (*strengthening WFP's reserves*)

The allocation would also contribute to meeting the **annual IRA target level** of USD 200 million

# PSAEA projections for 2020



If this request is approved, the forecasted PSAEA closing balance for 2020 would total **USD 156.1 million**, equivalent to **around 4.5 months of PSA expenditures**