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Report on the utilization of WFP's advance financing mechanisms (1 January–31 December 2021)

Draft decision*

The Board takes note of the report on the utilization of WFP's advance financing mechanisms for the period 1 January–31 December 2021 (WFP/EB.A/2022/6-B/1) and approves:

- a) the maintenance of the Immediate Response Account target at USD 200 million for 2022;
- b) an increase in the internal project lending ceiling to USD 950 million (which reflects a ceiling to reserve leverage ratio of 10:1 against the current reserve of USD 95.2 million) with the aim of enabling WFP's effective response in case of scale-up; and
- c) an increase in the Global Commodity Management Facility ceiling to USD 950 million (which is 10 percent of WFP's 2022 current contribution forecast), with the aim of enhancing WFP's ability to respond quickly to sudden emergencies in the current highly volatile context.

* 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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Introduction

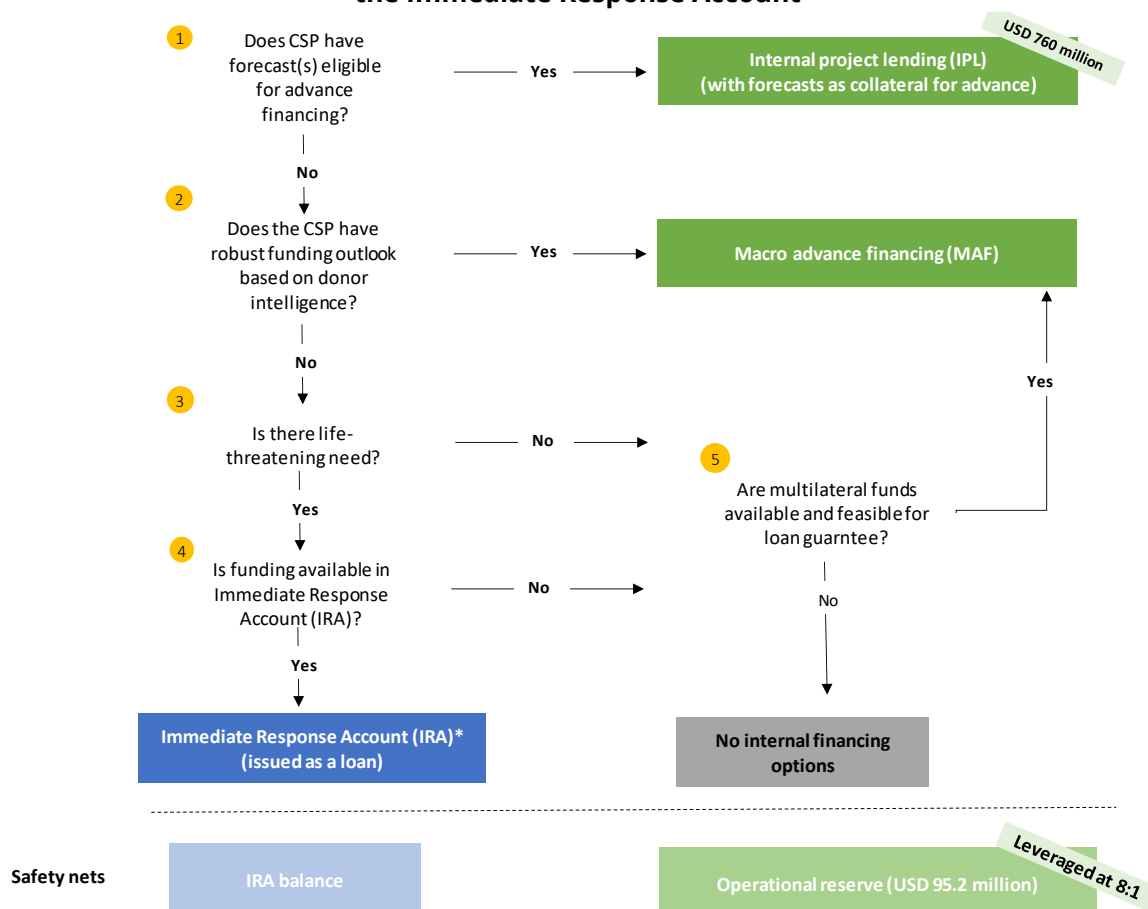
1. WFP is funded entirely by voluntary contributions, which are used to deliver life-saving and life-changing assistance to vulnerable people around the world. The timing of funding is a critical factor influencing WFP's capacity to respond rapidly to humanitarian needs. At times assistance is required before donors confirm their contributions. In such cases, WFP's advance financing mechanisms enable country offices to act immediately by providing them with corporate funding that is repaid once donor contributions are received.
2. This report describes the use of WFP's advance financing mechanisms in 2021 including advances made to programmes through internal project lending (IPL) (including macro advance financing) and the Immediate Response Account (IRA); corporate services advances; and the procurement of food through the Global Commodity Management Facility (GCMF).

Advance financing for the release of funds to programmes

3. Throughout 2021 WFP used three mechanisms to provide programmes with advance financing or spending authority:
 - i) *Internal project lending* allows programmes to spend funds advanced to them before forecast contributions to the programmes are confirmed, with the forecast contributions serving as collateral for the advances. The ceiling for this facility is USD 760 million,¹ and an operational reserve of USD 95.2 million, leveraged at a ratio of 8:1, serves as a safety net in case the forecast contributions do not materialize.
 - ii) *Macro advance financing (MAF)*: This mechanism is a subset of IPL. It has a ceiling of USD 270 million managed within the IPL ceiling of USD 760 million. Under MAF, spending authority is provided based on robust overall funding projections rather than specific forecast contributions serving as collateral.
 - iii) *Immediate Response Account*: The IRA enables WFP to provide immediate assistance in life-threatening situations in the absence of forecast contributions. Advances are drawn directly from the IRA reserve, which is replenished through donor contributions and repayments or transfers from reserves or other internal accounts.
4. Figure 1 illustrates the process followed when deciding whether to use IPL or the IRA.

¹ "Increase of strategic financing authority ceilings" (WFP/EB.1/2022/5-B/1).

Figure 1: Decision making process for using Internal project lending or the Immediate Response Account



* If contributions that can be used to repay an IRA advance are not received, the advance may be converted to a grant at the end of the term of the country strategic plan.

Use of internal project lending in 2021

- The IPL is used to provide advance financing for a country strategic plan (CSP) when the period for which forecast contributions can be used aligns with the financing needs and donor conditions are met. When this form of advance financing was introduced in 2004, IPL was used to advance USD 27.1 million to country offices, with an average advance amount of USD 5.4 million. Table 1 shows the number and value of advances made since the restructuring of the Working Capital Financing Facility in 2014. In 2021, the total value advanced reached USD 1.996 billion (see annex I) – a 39 percent increase from 2020. IPL advances were made for 75 CSPs, providing country offices with access to funds an average of 48 days before contributions were confirmed.

Year	Number of advances	Amount advanced (USD million)	Average advance amount (USD million)
2014	161	1 092.8	6.8
2015	157	777.5	5.0
2016	179	1 072.4	6.0
2017	176	1 277.7	7.3
2018	148	1 248.5	8.4
2019	268	1 616.4	6.0
2020	347	1 436.4	5.0
2021	355	1 996.2	5.6
Total	1 791	10 517.9	5.8

6. The five country offices that received the largest IPL advances in 2021 were Afghanistan (USD 397.01 million), Yemen (USD 355.54 million), the Syrian Arab Republic (USD 350.44 million), South Sudan (USD 130.40 million) and Ethiopia (USD 100.84 million). These five operations alone accounted for 67 percent of the total value of IPL advances for the year.

Yemen

The situation in Yemen remains one of the worst humanitarian crises in the world. Protracted armed conflict, widespread economic collapse and a breakdown in national systems and services have left 80 percent of the population dependent on humanitarian assistance. The coronavirus disease 2019 (COVID-19) pandemic has put further strain on an already fragile health system.

In 2021, the Yemen CSP received 13 IPL allocations, the largest of which amounted to USD 61 million. The advances were used to provide in-kind assistance to meet the basic food needs of vulnerable, food insecure people displaced by conflict. Of the USD 355.5 million allocated, USD 93.9 million was advanced using contributions from Saudi Arabia as collateral. The allocations allowed the Yemen country office to initiate the process of delivering assistance to beneficiaries an average of 21 days before contributions were confirmed.

The Syrian Arab Republic

The Syrian Arab Republic has faced a prolonged crisis since 2011, which has devastated the economic and social fabric of the country. In 2020, protracted conflict, economic collapse and the impacts of the COVID-19 pandemic continued to undermine food security and erode livelihoods. In late 2020, 12.4 million people – 60 percent of the population – were food insecure, an increase of 57 percent from 2019. Households headed by women are disproportionately affected by food insecurity and 6.7 million people remain internally displaced. IPL was crucial in meeting humanitarian needs in the Syrian Arab Republic in 2021, fulfilling 12 advance requests for five activities; the largest allocation was USD 94.4 million. These advances allowed WFP to provide timely assistance and reduce pipeline breaks. Of the total USD 350.44 million advanced in 2021, USD 186 million was repaid using collateral from a contribution from the United States of America. This enabled the country office to initiate the process of delivering assistance an average of 47 days before contributions were confirmed.

Use of macro advance financing in 2021

7. As noted above, MAF is a subset of IPL through which the amount of advance financing is based on a forecast of total funding rather than a specific contribution. The forecast itself is based on a detailed assessment of the likely funding intentions of donors and a review of recent resourcing trends for the country offices involved. The MAF seeks to increase the predictability of resources, thereby facilitating more efficient and effective delivery of assistance. Of the USD 760 million available for IPL, the maximum that can be utilized for MAF is USD 270 million.²
8. Table 2 shows the country offices that received MAF advances in 2021 and the status of those advances as of March 2022. All have been repaid except those for Yemen and the Sudan, which were not allocated until late 2021.

TABLE 2: NEEDS-BASED AND IMPLEMENTATION PLAN VS. MACRO ADVANCE FINANCING, 2021 <i>(USD million)</i>				
Recipient country office	Needs-based plan	Implementation plan	MAF released	MAF repaid
South Sudan	928	784	62.73	62.73
Yemen	1 912	1 497	46.95	20.00
Sudan (the)	967	707	38.05	0.00
Ethiopia	1 199	430	37.75	37.75
Venezuela (Bolivarian Republic of)	54	39	5.11	5.11
Total	5 095	3 487	190.58	125.53

9. Food security in South Sudan continues to deteriorate due to persistent conflict, political instability and environmental and economic shocks, resulting in countrywide hunger and malnutrition. Every year, the South Sudan country office needs to pre-position food ahead of the rainy season to ensure that WFP can continue to provide timely food assistance to severely food-insecure populations, even in isolated locations; pre-positioning also yields substantial cost savings. In 2021, the country office used MAF funds to pre-position food.
10. The benefits of MAF are now widely recognized. Unfortunately, the repayment of MAF advances is sometimes hampered by the earmarking of contributions, which limits their use to specified purposes that may not allow for the repayment of advances. This is yet another reason that WFP continues to advocate contributions with less earmarking.

Internal project lending ceiling

11. In response to the high demand for advance financing, the IPL ceiling was increased in January 2022 to USD 760 million with the approval of the Board. In 2021 the facility came under significant pressure stemming from greater operational needs and a higher number and amount of forecast contributions available for IPL; the amount advanced to country offices increased by 42 percent in comparison to 2020, reaching USD 2.186 billion.

² "Increase of strategic financing authority ceilings" (WFP/EB.1/2022/5-B/1).

12. The IPL facility is backed by an operational reserve of USD 95.2 million, which is available in case of defaults on forecasted contributions. When the new ceiling was established, it was backed by the same level of operational reserve, with the result that the leverage ratio (i.e. the ratio of the IPL ceiling to the operational reserve) increased from 6:1 to 8:1.
13. As humanitarian needs and the funded programme of work have grown since 2015, the IPL ceiling as a percentage of the programme of work has decreased from 11.4 percent to 6 percent (table 3).

Year	Funded programme of work* (USD million)	IPL ceiling (USD million)	Ratio against USD 95.2 million reserve	IPL ceiling as % of programme of work	IPL allocations (including MAF) (USD million)	IPL allocation as % of funded programme of work
2014	5 500	257	6:1**	4.7	1 092.8	19.9
2015	5 000	570	6:1	11.4	777.5	15.6
2016	5 900	570	6:1	9.7	1 173.1	19.9
2017	6 100	570	6:1	9.3	1 313.7	21.5
2018	7 300	570	6:1	7.8	1 347.2	18.5
2019	8 100	570	6:1	7.0	1 814.1	22.4
2020	8 400	570	6:1	6.8	1 543.1	18.4
2021	9 500	570	6:1	6.0	2 186.8	23.0
2022	9 500	760	8:1	8.0		

* Source: 2014–2021: actual contribution revenue. 2022: WFP global forecast for February.

** Until 2015, IPL was part of the Working Capital Financing Facility, which had an overall ceiling of USD 607 million and a reserve of USD 101 million.

14. A Boston Consulting Group analysis carried out in 2014³ concluded that WFP had a conservative approach to leveraging the operational reserve and that the leverage ratio of 6:1 could responsibly be increased to 10:1. In 2021, a new Boston Consulting Group analysis reconfirmed that IPL is an effective advance financing mechanism and that, should the need arise, WFP should increase the ceiling in order to maximize its potential by increasing the leverage ratio to 10:1.
15. Based on the unprecedented magnitude of humanitarian need, WFP's global forecast suggests that contributions will reach USD 9.5 billion in 2022. If the IPL ceiling is increased to USD 760 million, it will therefore amount to 8 percent of the funded programme of work. Table 3 shows that the IPL ceiling as a percentage of the programme of work has ranged from 4.7 percent to 11.4 percent, while IPL allocations as a percentage of the funded programme of work have varied between 15.3 percent and a record high of 23 percent in 2021.

³ "Financial Framework Review: Restructuring the Working Capital Financing Facility" (WFP/EB.A/2014/6-D/1).

16. Given the effectiveness of this mechanism, the increased demand from country offices, and more and more forecast contribution being available for IPL collateral, the robust risk mitigation measures in place such as a strong global forecasting process, management recommends to the Board to increase the IPL ceiling to USD 950 million, bringing the leverage ratio of 10:1 against the reserve (USD 95.2 million). Within this revised ceiling, the maximum that would be utilized for MAF would remain unchanged at USD 270 million. As an internal tool for flexibly managing operations, this mechanism does not require additional contributions from donors.
17. While there is no immediate imperative to increase the IPL ceiling, doing so will enhance WFP's ability to undertake advance financing, allowing it to respond quickly to country office need for more predictable funding, for example when the amount of collateral available for IPL increases suddenly as the result of an increase in forecast contributions prompted by a large-scale emergency. Sudden onset crises since the summer of 2021, for example in Afghanistan and Ukraine, make it imperative that WFP have some cushion for managing these unique financial instruments with agility in times of uncertainty.
18. WFP's risk mitigation measures have been effective in maintaining a low level of write-offs to date. The operational reserve of USD 95.2 million available in case of defaults on forecast contributions has been used only twice, at a total cost of USD 8.1 million.⁴ This is equivalent to 0.06 percent of the USD 14.3 billion advanced through IPL (including MAF) since 2004 (annex II).
19. WFP takes a systematic approach to managing IPL, which includes a robust forecasting process and strong trend analysis that are regularly captured in the corporate platform, Salesforce. WFP also engages in continuous dialogue with donor governments with the aim of increasing the flexibility of grant validity periods so that contributions can be used as collateral for advance financing, thus minimizing the possibility of default.

Use of the Immediate Response Account in 2021

20. The IRA is a flexible, replenishable, revolving multilateral funding mechanism that enables WFP to cover immediate pipeline breaks in the delivery of life-saving assistance. It is replenished by directed contributions (i.e. contributions designated by their donors specifically to replenish the IRA). The term "revolving" means that funds allocated from the IRA to an operation may subsequently be reimbursed with donor contributions received for that operation. Contributions that are used for this purpose are reported under the operations to which they were directed.
21. An IRA allocation requires no specific forecast contribution as collateral. It can be repaid with confirmed contributions as long as any conditions attached to the contributions permit that. When a CSP comes to an end, any IRA allocations that have not been repaid can be converted into grants.
22. The IRA opening balance in 2021 was USD 75.46 million; throughout the year the IRA received USD 188.2 million in revenue, comprising USD 64 million from directed contributions, USD 53.8 million from other sources such as multilateral contributions and surplus from the self-insurance special account (USD 20 million) (see annex III), and USD 70.4 million from revolved funds, as illustrated in table 4.

⁴ USD 5.9 million was not recovered from a protracted relief and recovery operation in the Democratic Republic of the Congo in 2005 and USD 2.2 million was not recovered from the United Nations Humanitarian Air Service in 2011.

TABLE 4: IMMEDIATE RESPONSE ACCOUNT MOVEMENTS, 2011–2021 (USD million)											
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Directed contributions	38.1	56.2	52.1	53.1	50.2	33.9	33.2	29.6	22.6	24.7	64.0*
Other revenue	-	-	-	-	57.1	13.7	18.7	67.1	23.1	77.5	53.8
Multilateral contributions	-	-	-	-	-	13.7	13.7	23.1	23.1	25.0	30.6
Programme support and administrative equalization account	-	-	-	-	50.0	-	15.0	44.0	-	52.5	-
Other	-	-	-	-	7.1	-	-	-	-	-	23.2
Revolved funds	104.4	82.4	88.6	132.6	5.3	125.2	114.5	68.3	150.0	82.5	70.4
Total revenue	142.5	138.6	140.7	185.7	202.6	172.8	166.4	165	195.7	184.7	188.2
Allocations	161.9	126.1	165.3	182.0	164.2	215.2	154.2	144.2	161.0	188.5	220.0

* This figure excludes USD 3.1 million confirmed contributions from private donors in 2021 that were transferred to the IRA reserve in January 2022.

23. IRA allocations in 2021 totalled USD 220 million (see annex IV) and were provided to 49 CSPs. The five country offices that received the largest IRA allocations in 2021 were Afghanistan (USD 48.83 million), Nigeria (USD 34.27 million), Yemen (USD 28.17 million), Mozambique (USD 27.27 million) and Ethiopia (USD 22.13 million). Other large allocations were made to CSPs for Madagascar (USD 16.15 million) and Myanmar (USD 8.39 million). At the end of 2021, the IRA balance was USD 43.71 million. Allocations yet to be repaid totalled USD 352.84 million and USD 19.04 million was converted to grants during the year.
24. Around USD 6 million was allocated to emergency preparedness activities, enhancing WFP's capacity to respond to unfolding humanitarian crises especially in central Africa and Western Asia.
25. Despite record-high directed contributions, the IRA came under considerable strain in 2021 because the volume of requests from country offices also reached a record high of USD 220 million and the level of available revolved funds was low. As a result, the account required the largest ever injection of funding from multilateral contributions and other sources such as the surplus from the self-insurance special account.

Ethiopia

Conflict spread across northern Ethiopia in 2021, reversing progress made in achieving food security in many parts of the country and causing a humanitarian crisis. WFP had to respond quickly and at scale as malnutrition and food insecurity reached unprecedented levels in the face of devastating overlapping crises driven by conflict, climate shocks including drought and floods, the COVID-19 pandemic, desert locust infestations and socioeconomic challenges. Conflict in Tigray expanded into the regions of Afar and Amhara, displacing millions of Ethiopians throughout 2021. The estimated food-insecure population grew from 10.9 million in April 2021 to more than 18 million by the end of the year.

An IRA allocation supported a blanket supplementary feeding programme introduced to protect the nutrition status of children age 6–59 months and pregnant and lactating women through the provision of specialized nutritious foods for three months in 35 *woredas* in the Tigray region; the funding was also used to respond swiftly to the emerging internally displaced person crisis in the same region. The advance financing allowed WFP to commence distributions while additional resources were being mobilized; it was also used to purchase stocks of lipid-based nutrient supplement – large quantity, Super Cereal Plus, cereals and pulses from the GCMF inventory.

IRA allocations to Ethiopia totalled USD 22.13 million in 2021 and the combined benefits of the IRA and the GCMF enabled the Ethiopia country office to receive food at handover locations **for subsequent distribution** 11 days after receiving the funds.

Mozambique

Acute food insecurity is at alarmingly high levels in many parts of Mozambique, driven by overlapping climate shocks, conflict in the north and the COVID-19 pandemic.

Mozambique continues to be among the countries most vulnerable to the impacts of the climate crisis. Over the last three years, six tropical cyclones (Desmond, Idai, Kenneth, Chalane, Eloise and Guambe) have caused major damage, mainly in the central provinces. In January 2021, cyclone Eloise set back efforts to recover from previous storms.

Northern Mozambique is also the site of one of the world's fastest growing displacement crises. Since mid-2020, the number and intensity of attacks by non-state armed groups has increased steadily, exacerbating the humanitarian situation. Attacks on Palma district in March 2021 had a severe impact on civilians and resulted in increased militarization of the region, including the deployment of foreign troops. As of June 2021 the ongoing attacks had displaced over 720,000 people, including internally displaced persons seeking refuge in Nampula and Niassa provinces.

Due to a critical funding shortfall, WFP was forced to provide a single food distribution in July 2021 to cover both July and August 2021, effectively cutting rations by 50 percent. Based on a prioritization exercise for September–December that examined reductions in beneficiary numbers and rations, the country office continued to provide food rations providing 78 percent of daily caloric needs. Any further reduction in rations would compromise the nutritional value of the food basket in the context of pre-existing vulnerabilities and high levels of stunting, which are particularly severe in Cabo Delgado province.

Through the IRA USD 27.3 million was allocated to Mozambique to provide life-saving food assistance to conflict-affected internally displaced persons in northern Mozambique, preventing critical pipeline breaks and further ration cuts. Without these resources, food supplies would have been significantly compromised, leading to the reduction or even suspension of food distribution to those in need.

26. In 2021 IRA requests averaged USD 18.3 million per month. At its lowest, the account balance was USD 32.4 million. Such a low balance increases the risk of failing to respond to country offices requests for support in the event of a sudden emergency. Furthermore, the first quarter of 2022 saw a 46 percent increase in the monthly average of IRA allocations, and with an opening balance of USD 43.7 million, WFP management is concerned about the financial health of the IRA. WFP is therefore reviewing the IRA to redefine the target level of the account and examine options for injecting funds when the balance becomes critically low.

Immediate Response Account target

27. WFP's financial regulation 4.3 states that "the Board shall establish a target level for the IRA for each financial period. The target level should be maintained by annual replenishment contributions from donors and, when possible, by repayment of advances made for eligible operations or activities". Management seeks Board approval to maintain the IRA target level⁵ at USD 200 million.
28. Given the wording of the regulation, "target level" can be interpreted to mean a targeted level of revenue from various sources. As part of the ongoing review of the IRA, management is looking for ways to ensure its sustainability, including by increasing directed contributions to the IRA and decreasing dependency on transfers from reserves. To that end, WFP may seek Board approval for a target level of directed contributions to the IRA to serve as a basis for resource mobilization. The review recommendation regarding the 2023 IRA target will be presented in the next management plan.
29. The primary means of replenishing the IRA is directed contributions. Other means include:
- a) repayment of IRA allocations with the consent of donors concerned;
 - b) unspent balances from contributions to country operations or other WFP activities, subject to donor conditions;
 - c) interest accrued on donor funds administered by WFP through trust funds for bilateral contributions;⁶
 - d) insurance recoveries from commodity losses that cannot be programmed as miscellaneous income of the activity that has suffered the loss,⁷ except as otherwise provided in the agreement with the donor; and
 - e) other sources as approved by relevant donors or management authorities or by the Executive Board, such as allocations from multilateral contributions, the PSA equalization account and unearmarked general funding.

Advance financing for corporate services

30. WFP is able to provide services efficiently through three corporate services mechanisms: the Fleet Centre, the Capital Budgeting Facility and fee-for-service activities. With the Board's approval of the management plan for 2022–2024, the overall ceiling for corporate services was increased to USD 147 million. The mechanisms are internal tools for managing operations flexibly and do not require contributions from donors.
31. WFP purchases light vehicles that are subsequently leased to WFP offices. The Fleet Centre fund provides advances to the Global Vehicle Leasing Programme special account to cover the capital and operational costs of fleet services, which are subsequently recovered through vehicle leasing fees charged to the budgets of WFP offices, CSPs and other users

⁵ "Report on the Use of the Immediate Response Account (1 January–31 December 2006)" (WFP/EB.A/2007/10-D).

⁶ Financial Regulation 11.3 (page 48).

⁷ Joint Directive OS2013/001-RM2013/001-PG2013/001.

of the services. This financing mechanism enables WFP to optimize centralized procurement through the bulk purchasing of vehicles; meanwhile a transparent leasing service mechanism and five-year light vehicle and eight-year armoured vehicle lifecycles enable WFP offices to plan their funding effectively. No new allocation was made in 2021. The outstanding amount as of 31 December 2021 was USD 10 million.

32. The Capital Budgeting Facility provides upfront financing for capital projects that can demonstrate quantifiable economic benefits and efficiency gains. In 2021, USD 19.6 million was disbursed to support the purchase of trucks in Afghanistan and Ethiopia amid the scale-up of activities to address dramatic food security needs; additional resources supported the development of cash-based transfer interventions, the renovation of WFP offices in Mali, the development of a human capital management platform and the implementation of the private sector partnerships and fundraising strategy. Repayments to the facility in 2021 amounted to USD 2.51 million and were made by the South Sudan country office for biometric registration and activities related to WFP's digital beneficiary information and transfer management platform (SCOPE) and by the Mali country office for the renovation of their premises. The balance of outstanding advances as of 31 December 2021 was USD 32.47 million.
33. The fee-for-service fund provides advances to cover the costs of internal services provided centrally; advances are repaid throughout the year from fees collected for services rendered. Services that benefit from fee-for-service advances include the recurring costs of corporate information technology (recovered on a per capita basis), staff security and a cash and voucher identity management project. In 2021 a total of USD 6.24 million was advanced to those services and USD 6.59 million was repaid. The balance of outstanding advances as of 31 December 2021 was USD 9 million.

Global Commodity Management Facility

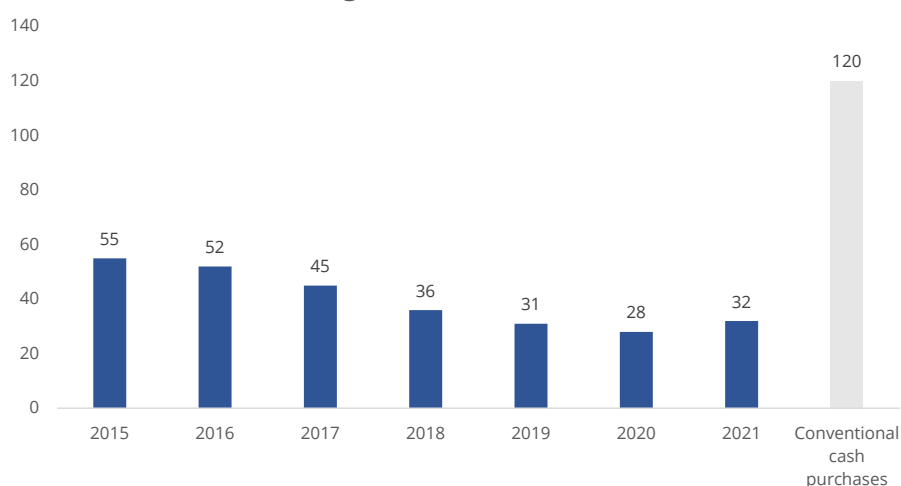
34. The Global Commodity Management Facility is a strategic financing mechanism through which WFP purchases food before the confirmation of contributions, with the objective of reducing lead times for food deliveries (especially in emergencies), purchasing food when market conditions are most favourable, enabling economies of scale and facilitating local and regional procurement.
35. Through GCMF operations, WFP maintains food inventories for supply lines in East, West and Southern Africa, the Middle East and most recently Asia, plus a global inventory of nutritious food available for all WFP country offices. These inventories are replenished using corporate funding on the basis of aggregated demand and the projected resources for countries with common logistics corridors. Food purchased under the GCMF is released for specific operations when they have funding available from confirmed contributions or other advance financing facilities.

Highlights of Global Commodity Management Facility operations in 2021

36. Throughout 2021, the GCMF continued to play an essential role in enabling WFP to reach beneficiaries more effectively and efficiently by providing a steady supply of food with shorter lead times and greater value for money than it could achieve through conventional procurement processes. This was especially important in the context of the continuing uncertainty caused by the COVID-19 pandemic and its impact on global supply chains and in response to new and protracted emergencies.

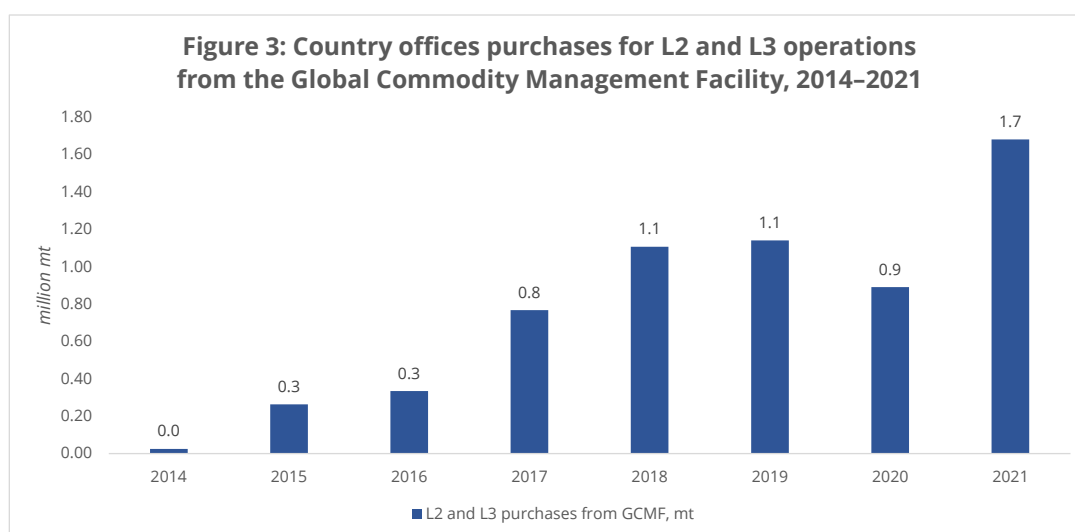
37. In 2021, ten years after its establishment,⁸ the GCMF delivered 2.5 million mt of food valued at USD 1.3 billion⁹ to 49 country offices, demonstrating its potential to mitigate supply chain disruptions driven by the pandemic and to rapidly facilitate WFP operations addressing crises. By volume, the GCMF provided 60 percent of all country office food purchases in 2021. Country offices received their food in an average of 32 days, which is 73 percent faster than the average 120 days needed for conventional procurement processes. GCMF lead times increased slightly in 2021 compared to 2020, mainly due to the activation of the Asia supply line in mid-2021, which increased the average number of days required to receive GCMF commodities.

Figure 2: Global Commodity Management Facility average lead time, 2015-2021



38. The GCMF has played a key role in supporting corporate emergency response, constituting a corporate, demand-driven financing solution that enables WFP to purchase food in anticipation of country office operational needs and confirmed contributions. In 2021, country offices operating in L2 and L3 emergencies purchased 1.7 million mt of food from the GCMF, representing 53 percent of their purchases and an 89 percent increase in volume compared to 2020. The increase was mainly driven by new emergencies in Afghanistan, Ethiopia and Madagascar and protracted crises in Yemen and Myanmar.

Figure 3: Country offices purchases for L2 and L3 operations from the Global Commodity Management Facility, 2014-2021



⁸ "Forward Purchase Facility" (WFP/EB.A/2012/6-B/1).

⁹ Refers to value of food only.

39. Around 52 percent of the food purchased from the GCMF by country offices for L2 and L3 operations was bought using IPL and the IRA. The synergy among the strategic financing facilities was particularly successful in supporting WFP's response to the sharp increase in food insecurity in Afghanistan.

Afghanistan

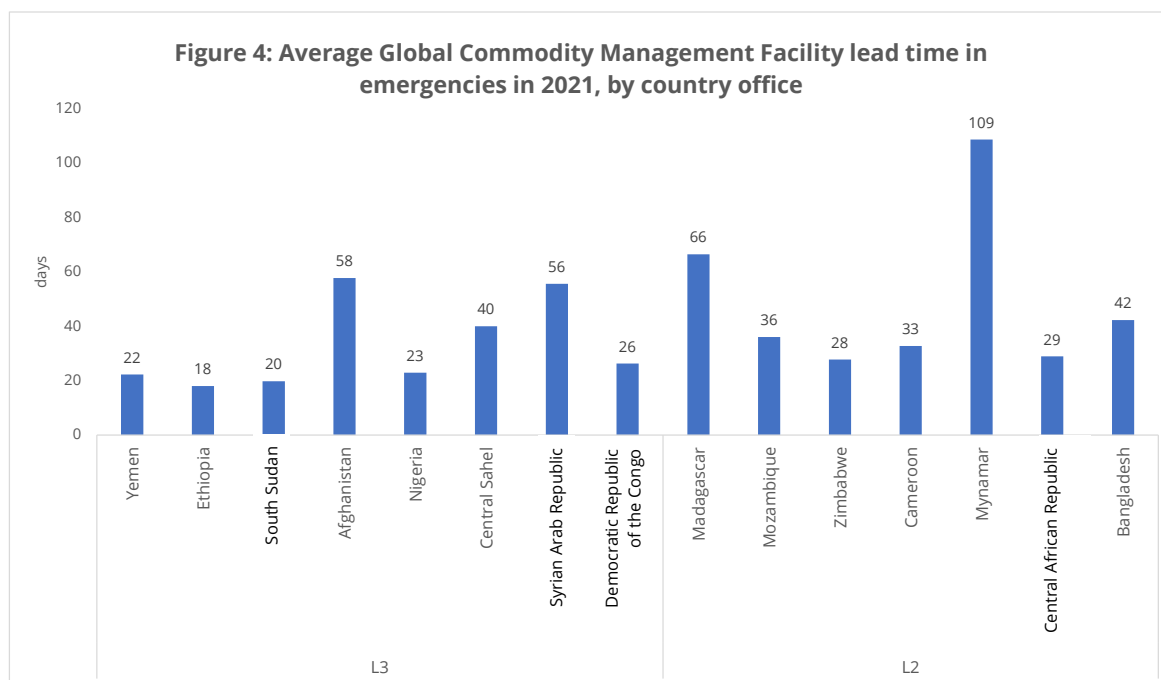
For Afghanistan, 2021 was a year of momentous turmoil and change defined by conflict, the withdrawal of foreign forces and the disintegration of the Government and subsequent takeover by the Taliban. After August Afghanistan became the world's largest humanitarian crisis, with 24.4 million people – 58 percent of the population – in need of humanitarian assistance by the end of the year.

The combined impacts of drought, conflict, COVID-19 and economic crisis have severely affected lives, livelihoods and people's access to food. This emergency has also generated a liquidity crisis, inflation and the collapse of essential services, which are all exacerbating the dire humanitarian situation.

With commitments from donors, WFP was able to secure USD 446 million for use in Afghanistan through corporate advance financing mechanisms: USD 397 million through IPL and USD 49 million through the IRA. The GCMF rapidly directed resources to its Asia supply line and supplied 177,000 mt of mixed commodities to Afghanistan valued at USD 120 million (food value only); this represented 35 percent of total food purchases for operations in Afghanistan in 2021 and established a stable and continuous supply of food.

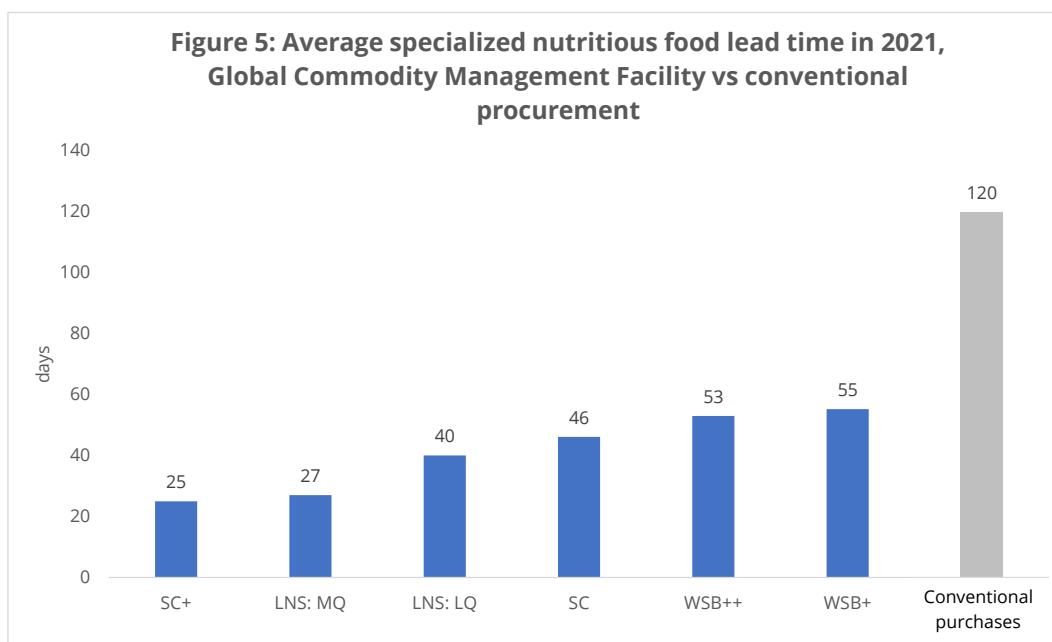
Through these facilities, WFP was able to pre-position food and ensure a stable supply of assistance, especially for the winter lean season. These mechanisms were instrumental in maximizing the effectiveness of donor contributions and preventing critical pipeline breaks.

40. The lead time for country offices responding to L2 and L3 emergencies that purchased food from the GCMF was 75 percent shorter than the average lead time for conventional purchases. On average, it took 30 days for these country offices to receive food from the GCMF at handover locations; lead times were longer in Myanmar because of challenges related to the purchase of vegetable oil and rice. Myanmar had not been a regular GCMF customer except for specialized nutritious food (SNF); however, in response to the emergency the GCMF made advance purchases of vegetable oil and rice to establish a stable supply line of food. As there had not previously been a GCMF supply line of food the average lead time was longer at the start.



41. The GCMF plays a particularly valuable role in the delivery of SNF. Every reduction of one day in the lead time for SNF is important because the products address the acute needs of the most vulnerable beneficiaries. A share of the USD 800 million GCMF ceiling is allocated to maintaining a global inventory of SNF, which ensures that all WFP country offices can benefit from reduced lead times.
42. WFP utilizes a wide range of specialized foods to improve the nutritional intake of the people it assists around the world; however, the limited capacity of global suppliers and long lead times for processed food continue to make it a challenge to meet expected demand. In response, the corporate planning and performance, nutrition and supply chain operations divisions are implementing a long-term global strategy through the GCMF to help country offices overcome global capacity limitations. The strategy is aimed at improving prioritization, ensuring continuous production and maximizing supplier capacity. In recent years, progress has been made in increasing and diversifying SNF suppliers. In 2021, a new supplier opened in West Africa, and additional suppliers with promising capacity for 2022 were found.
43. In 2021, the GCMF supplied 220,000 mt of SNF valued at USD 305 million,¹⁰ which was 94 percent of the total volume of SNF procured by country offices. Forty-two country offices purchased SNF from GCMF stocks, receiving their food after an average of 40 days (see figure 5 for a breakdown by commodity); this is 67 percent faster than procurement through the conventional procurement process.

¹⁰ Refers to value of food only.



LNS: MQ = lipid-based nutrient supplements (medium quantity); LNS: LQ = lipid-based nutrient supplements (large quantity); SC= Super Cereal; WSB = wheat-soya blend.

44. To build community resilience, the GCMF fosters local purchases and supports the creation of income-generating opportunities. When the GCMF was launched in 2011, most food purchased through the facility was from international markets. Since then, the share of local and regional purchases has steadily grown. In 2021, 48 percent of GCMF purchases were sourced from local and regional markets, reaching 1.2 million mt (valued at USD 705 million in food value only), a 25 percent increase compared to 2020 (see annex V).
45. In support of local and regional food systems, in 2021 the GCMF procured 92,000 mt (USD 34.6 million, food value only) from smallholder farmers, which represents a 5 percent increase in volume compared with 2020 and 78 percent of all WFP purchases from smallholder farmers. A portion of GCMF funds is set aside for purchases from smallholder farmers, ensuring that some funds for such purchases are always available. Purchases from smallholder farmers can also be made directly from regional envelopes when there are opportunities to purchase from smallholder farmers that exceed the set-aside amount.
46. The GCMF also enabled the procurement of 530,000 mt of food for service provision activities in the Sudan, which served to secure vital wheat imports into the country and thereby maintain a steady bread supply for local populations. In Ethiopia, WFP used the GCMF to support the Government in procuring and delivering food to communities in need.

Global Commodity Management Facility ceiling

47. In January 2022 the Executive Board approved the increase of the GCMF ceiling from USD 660 million to USD 800 million in order to address the sudden and unforeseen rise in food insecurity in Afghanistan and the worsening situation in the Middle East and to reinstate the envelope for unfolding emergencies.
48. Of the USD 800 million, WFP allocated USD 700 million to active supply lines to ensure a steady corporate inventory of food ready to be transferred to country operations with reduced lead times and USD 20 million to support smallholder farmer procurement activities through a dedicated budget line, while USD 80 million remained available for allocation to any supply line where it was needed to respond to unfolding emergencies.

49. In March 2022, WFP decided to allocate USD 40 million of unallocated funds to various supply lines, leaving USD 40 million for unfolding emergencies. This allocation was based on a demand analysis, food requirements, funding projections, historical resourcing trends, average commodity costs, supply chain lead times and replenishment strategies.
50. Over the years, the GCMF ceiling has risen in line with the growth of the funded programme of work and the increased demand (table 5). In 2020, GCMF sales accounted for 11.2 percent of the funded programme of work. In 2021, the sales value increased by 62 percent compared with the previous year and accounted for 16.1 percent of the funded programme of work. This expansion was mainly driven by emergencies in Afghanistan, Ethiopia and Yemen as well as increased requests for GCMF goods by many country offices looking to take advantage of shorter lead times offered by the facility.

Year	Funded programme of work* (USD million)	GCMF ceiling (USD million)	GCMF ceiling as % of programme of work	GCMF sales (USD million)	GCMF sales as % of programme of work	Capital rotation
2016	5 900	350	5.9	636.6	10.8	1.8
2017	6 100	350	5.7	861.0	14.1	2.5
2018	7 300	500	6.8	917.2	12.6	1.8
2019	8 100	560	6.9	932.2	11.5	1.7
2020	8 400	560	6.7	942.8	11.2	1.7
2021	9 600	660	6.9	1 532.0	16.0	2.3
2022	9 500	800	8.4	-	-	-

* Source: for 2016–2021: actual contribution revenue; for 2022: WFP Global Forecast for February.

51. The GCMF budget ceiling is based on projected food requirements, funding projections, as well as on delivery lead times and the supply chain strategy such as buying when conditions are favourable. The combination of these variables affects the capital rotations¹¹, and thus the GCMF ceiling.
52. The WFP global contributions forecast for 2022, updated in February, stands at USD 9.5 billion. As of April 2022, WFP is assessing donors' positions regarding the crisis in Ukraine and therefore the possibility of receiving even more in contributions for 2022, which may affect the forecast. In the light of uncertainty in the contribution forecast, WFP is conservatively estimating that 2022 GCMF sales will be equivalent to 2021 sales (see table 5).
53. The conflict in Ukraine is disrupting regional and international markets, increasing food prices and transportation costs. The price for wheat, a key commodity for WFP's food assistance operations, has risen by 64 percent compared to 2021,¹² leading in turn to higher prices for nutritious commodities. In addition the price of vegetable oil has recently surged. Shipping costs for containerized cargo were 25 percent higher in 2021 than in 2020

¹¹ "Capital rotations" refers to the number of times the budget was used to purchase food and hand it over to purchasing country offices.

¹² International Grains Council, IGC Gran Market Indicators, April 2022.

- and 54 percent higher for charters. The shipping market seems to have reached a plateau in 2021, and rates are expected to remain at their current high level throughout 2022.
54. WFP management seeks Board approval of an increase in the GCMF ceiling to USD 950 million, equivalent to 10 percent of the current contribution forecast for 2022. This will enhance WFP's ability to respond quickly to current and future increased food requirements in line with increased donor support affirmed through increased forecast contributions. With more available funds, WFP can more efficiently respond to new emergencies by allocating funds to the supply lines that most need them without affecting the funds allocated to other supply lines. In addition, given that the GCMF is an internal tool for flexibly managing operations, as noted above, increasing the GCMF ceiling will not require donor contributions.
 55. It is therefore recommended that the GCMF ceiling be increased to USD 950 million. Management would utilize the facility across the following areas:
 - USD 760 million would be allocated to active supply lines to ensure a steady corporate inventory of food ready to be transferred to country operations with reduced lead times, including funds for SNF and smallholder farmers purchases.
 - USD 190 million would be kept available and ready to be allocated to any supply line where it is needed to respond to unfolding emergencies.
 56. There is minimal risk involved in the purchase of commodities because it entails an asset swap, from cash to commodities. In fact, no financial losses have been recorded since the GCMF was established because all incidents related to stock purchased through GCMF, such as losses caused by problems with quality, packaging or expiration, have been fully covered by WFP's self-insurance scheme.
 57. In 2021 GCMF food involved in such incidents was valued at USD 1.6 million, less than 0.1 percent of the total value of the food purchased by the facility during the year (USD 1.45 billion, food value only); this amount was fully recovered through WFP's self-insurance coverage, thanks to which the current operational reserve of USD 6 million, set in 2014, is still deemed a sufficient safety net for the GCMF.
 58. Furthermore, as part of its risk mitigation measures, WFP uses a systematic cross-functional approach to ensure the security of GCMF goods. These measures include a robust demand planning and forecasting process and procurement, transportation, warehousing, commodity accounting and commodity tracking policies and processes applicable to all WFP commodities.

ANNEX I**2021 internal project lending advances**

Country	Activity category	Collateral donor	IPL advances (USD million)
Afghanistan	Malnutrition prevention activities	Finland	4.1
		Germany	17.3
		Switzerland	7.6
		United States of America	5.2
		World Bank	33.8
	Unconditional resource transfers to support access to food	Austria	3.1
		Canada	25.2
		European Commission	8.5
		Germany	93.6
		Luxembourg	0.5
		Spain	0.0
		Sweden	1.5
		Switzerland	0.2
		United Kingdom of Great Britain and Northern Ireland	58.8
		United States of America	15.6
		World Bank	86.2
		Asset creation and livelihood support activities	Germany
Service provision and platforms activities	Germany	1.6	
Country office corporate allocation to support operation costs	Norway	0.7	
Algeria	Country office corporate allocation to support operation costs	Norway	0.5
	Nutrition treatment activities	United States of America	0.3
Armenia	Country office corporate allocation to support operation costs	Norway	0.4
Bangladesh	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	European Commission	3.8
		United States of America	19.2
	Service provision and platforms activities	United States of America	2.8

Country	Activity category	Collateral donor	IPL advances (USD million)
Benin	Country office corporate allocation to support operation costs	Norway	0.5
Bhutan	Country office corporate allocation to support operation costs	Norway	0.4
Burkina Faso	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	European Commission	2.3
		Finland	1.2
		Germany	1.7
		United States of America	4.3
	Asset creation and livelihood support activities	Germany	5.1
	Institutional capacity strengthening activities	Germany	0.0
	Nutrition treatment activities	Germany	1.1
	School meal activities	Germany	1.1
Burundi	Malnutrition prevention activities	United States of America	1.2
	Unconditional resource transfers to support access to food	United States of America	2.8
Cambodia	Country office corporate allocation to support operation costs	Norway	0.5
Cameroon	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	European Commission	3.1
		Germany	1.2
		United States of America	3.1
	Service provision and platforms activities	Germany	0.8
Caricom	Unconditional resource transfers to support access to food	Canada	4.0
Central African Republic	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	United States of America	2.0
	Asset creation and livelihood support activities	Germany	3.6
	Service provision and platforms activities	Germany	0.8
	Institutional capacity strengthening activities	Germany	0.2
	Nutrition treatment activities	Germany	0.9

Country	Activity category	Collateral donor	IPL advances (USD million)
	School meal activities	Germany	0.8
Chad	Climate adaptation and risk management	Germany	5.1
	Country office corporate allocation to support operation costs	Norway	0.5
	Malnutrition prevention activities	European Commission	0.7
		Germany	1.7
	Unconditional resource transfers to support access to food	Canada	2.5
		European Commission	3.9
		Germany	0.9
		United States of America	2.5
	School meal activities	Germany	1.7
Colombia	Unconditional resource transfers to support access to food	European Commission	1.3
		Germany	3.6
		United States of America	17.2
	Asset creation and livelihood support activities	United States of America	1.0
	Institutional capacity strengthening activities	Germany	1.3
Congo	Unconditional resource transfers to support access to food	Germany	1.3
		United States of America	0.6
Côte d'Ivoire	Country office corporate allocation to support operation costs	Norway	0.6
Democratic Republic of the Congo	Malnutrition prevention activities	Germany	1.9
	Unconditional resource transfers to support access to food	Germany	3.1
		United States of America	25.6
Djibouti	Unconditional resource transfers to support access to food	Germany	0.3
		United States of America	0.9
	Institutional capacity strengthening activities	Germany	0.0
		United States of America	0.0
Democratic People's Republic of Korea	Country office corporate allocation to support operation costs	Norway	0.8

Country	Activity category	Collateral donor	IPL advances (USD million)
Egypt	Country office corporate allocation to support operation costs	Norway	0.5
	Unconditional resource transfers to support access to food	Germany	11.2
		United States of America	7.0
El Salvador	Smallholder agricultural market support	Finland	0.2
	Unconditional resource transfers to support access to food	Germany	0.3
	Asset creation and livelihood support activities	Finland	0.8
Eswatini	Unconditional resource transfers to support access to food	Japan	1.3
Ethiopia	Unconditional resource transfers to support access to food	Canada	7.6
		Germany	9.5
		United States of America	66.0
	Service provision and platforms activities	United States of America	4.7
	Nutrition treatment activities	Germany	3.6
		United States of America	9.4
Gambia (the)	Country office corporate allocation to support operation costs	Norway	0.4
	School meal activities	Private donors	0.8
Ghana	Country office corporate allocation to support operation costs	Norway	0.5
Guatemala	Malnutrition prevention activities	Finland	0.4
	Unconditional resource transfers to support access to food	Germany	0.3
	Asset creation and livelihood support activities	Finland	0.2
	Emergency preparedness activities	Finland	0.2
	Institutional capacity strengthening activities	Finland	0.3
	School meal activities	Finland	0.3
Guinea	Country office corporate allocation to support operation costs	Norway	0.5
	Service provision and platforms activities	Germany	0.5
Guinea-Bissau	Country office corporate allocation to support operation costs	Norway	0.6
Haiti	Unconditional resource transfers to support access to food	Germany	2.2

Country	Activity category	Collateral donor	IPL advances (USD million)
	Asset creation and livelihood support activities	Finland	1.6
	Service provision and platforms activities	Canada	0.9
		Germany	0.7
Honduras	Unconditional resource transfers to support access to food	Germany	2.2
Headquarters	Human resources support activity to country office	Norway	0.8
India	Country office corporate allocation to support operation costs	Norway	0.5
Indonesia	Country office corporate allocation to support operation costs	Norway	0.5
Iran (Islamic Republic of)	Country office corporate allocation to support operation costs	Norway	0.5
	Unconditional resource transfers to support access to food	Germany	1.2
Iraq	Country office corporate allocation to support operation costs	Norway	0.7
	Unconditional resource transfers to support access to food	United States of America	8.6
	Asset creation and livelihood support activities	Germany	14.5
Jordan	Country office corporate allocation to support operation costs	Norway	0.7
	Unconditional resource transfers to support access to food	Germany	38.5
		United States of America	15.0
	Institutional capacity strengthening activities	Germany	2.3
Kenya	Unconditional resource transfers to support access to food	European Commission	3.1
		Germany	4.5
		United States of America	19.6
	Asset creation and livelihood support activities	Finland	0.4
		United States of America	2.8
Kyrgyzstan	Country office corporate allocation to support operation costs	Norway	0.5
Lao People's Democratic Republic	Country office corporate allocation to support operation costs	Norway	0.5
Lebanon	Country office corporate allocation to support operation costs	Norway	0.8

Country	Activity category	Collateral donor	IPL advances (USD million)
	Individual capacity strengthening	Germany	1.9
	Unconditional resource transfers to support access to food	Germany	15.9
		United States of America	37.8
	Asset creation and livelihood support activities	Germany	0.5
	Institutional capacity strengthening activities	Lebanon	1.8
Lesotho	Unconditional resource transfers to support access to food	United States of America	0.6
Liberia	Country office corporate allocation to support operation costs	Norway	0.5
Libya	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	Canada	0.5
		Japan	4.4
	Asset creation and livelihood support activities	Germany	2.5
	Service provision and platforms activities	Canada	0.1
		European Commission	0.5
		Germany	1.2
Madagascar	Unconditional resource transfers to support access to food	Canada	0.5
		Germany	8.0
		United States of America	10.1
	Service provision and platforms activities	Germany	0.4
	School meal activities	Germany	2.4
Malawi	Unconditional resource transfers to support access to food	United States of America	0.2
	Service provision and platforms activities	United States of America	0.7
Mali	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	European Commission	0.8
		Germany	0.9
		Sweden	0.8
		United States of America	1.3
	Nutrition treatment activities	European Commission	0.5
		Germany	0.4

Country	Activity category	Collateral donor	IPL advances (USD million)
		United States of America	2.4
Mauritania	Country office corporate allocation to support operation costs	Norway	0.5
	Unconditional resource transfers to support access to food	Canada	0.5
		European Commission	2.3
		Germany	0.2
		United States of America	2.5
	Asset creation and livelihood support activities	Germany	2.6
	Service provision and platforms activities	Canada	0.1
	Nutrition treatment activities	Germany	1.1
	School meal activities	Germany	0.7
Morocco	Country office corporate allocation to support operation costs	Norway	0.0
Mozambique	Smallholder agricultural market support	Germany	1.0
	Unconditional resource transfers to support access to food	European Commission	4.1
		Germany	4.1
		United States of America	22.0
		United Nations Central Emergency Response Fund (CERF)	0.0
	Service provision and platforms activities	Germany	0.6
	Institutional capacity strengthening activities	Germany	10.5
	School meal activities	Germany	3.5
Myanmar	Country office corporate allocation to support operation costs	Norway	0.5
	Unconditional resource transfers to support access to food	European Commission	0.8
	Nutrition treatment activities	European Commission	0.8
Nepal	Country office corporate allocation to support operation costs	Norway	0.5
Nicaragua	Unconditional resource transfers to support access to food	Germany	1.0
Niger (the)	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	Canada	2.8
		Germany	2.4

Country	Activity category	Collateral donor	IPL advances (USD million)
		United States of America	5.1
	Service provision and platforms activities	Germany	0.6
Nigeria	Country office corporate allocation to support operation costs	Norway	0.6
	Unconditional resource transfers to support access to food	European Commission	5.7
		Germany	3.1
		Sweden	2.4
		United States of America	15.3
	Service provision and platforms activities	European Commission	5.7
		Germany	0.7
Pacific island countries and territories	Country office corporate allocation to support operation costs	Norway	1.2
Pakistan	Country office corporate allocation to support operation costs	Norway	0.5
	Asset creation and livelihood support activities	Germany	12.9
		United States of America	0.6
Peru	Unconditional resource transfers to support access to food	Germany	0.2
		United States of America	5.4
	Service provision and platforms activities	United States of America	0.0
	Institutional capacity strengthening activities	United States of America	0.2
Philippines	Country office corporate allocation to support operation costs	Norway	0.5
Sao Tome and Principe	Country office corporate allocation to support operation costs	Norway	0.1
Senegal	Country office corporate allocation to support operation costs	Norway	0.6
Sierra Leone	Country office corporate allocation to support operation costs	Norway	0.4
	School meal activities	Private donors	0.8
Somalia	Unconditional resource transfers to support access to food	Canada	6.2
		Germany	8.1
		United States of America	44.8
		CERF	0.9
	Asset creation and livelihood support activities	United States of America	3.4

Country	Activity category	Collateral donor	IPL advances (USD million)
	Service provision and platforms activities	Germany	0.5
		United States of America	0.7
South Sudan	Unconditional resource transfers to support access to food	European Commission	5.6
		Germany	17.0
		United Kingdom of Great Britain and Northern Ireland	7.7
		United States of America	87.8
		CERF	3.8
	Nutrition treatment activities	European Commission	1.3
		United States of America	7.2
Sri Lanka	Country office corporate allocation to support operation costs	Norway	0.4
State of Palestine	Country office corporate allocation to support operation costs	Norway	0.9
	Unconditional resource transfers to support access to food	Canada	2.1
		Germany	2.7
		Japan	5.8
Syrian Arab Republic	Country office corporate allocation to support operation costs	Norway	0.5
	Malnutrition prevention activities	United States of America	4.5
	Unconditional resource transfers to support access to food	Austria	2.3
		Canada	3.4
		Germany	156.4
		United States of America	181.6
	Service provision and platforms activities	Germany	1.4
	Nutrition treatment activities	United States of America	0.2
Tajikistan	Country office corporate allocation to support operation costs	Norway	0.5
Timor-Leste	Country office corporate allocation to support operation costs	Norway	0.5
Togo	Country office corporate allocation to support operation costs	Norway	0.6
Tunisia	Country office corporate allocation to support operation costs	Norway	0.4
Turkey	Country office corporate allocation to support operation costs	Norway	0.5

Country	Activity category	Collateral donor	IPL advances (USD million)
Uganda	Unconditional resource transfers to support access to food	Sweden	0.9
		United States of America	13.2
	Nutrition treatment activities	Germany	1.4
United Republic of Tanzania	Unconditional resource transfers to support access to food	Germany	0.7
		United States of America	6.1
Venezuela (Bolivarian Republic of)	School meal activities	European Commission	3.1
		Germany	2.5
		United States of America	11.7
Yemen	Country office corporate allocation to support operation costs	Norway	0.7
		Qatar	60.1
	Unconditional resource transfers to support access to food	Canada	5.1
		Germany	52.9
		Luxembourg	0.5
		Private donors	61.0
		Qatar	12.2
		Saudi Arabia	75.3
		Sweden	2.5
	Service provision and platforms activities	Qatar	2.8
	Nutrition treatment activities	Germany	15.0
		Qatar	9.4
		Saudi Arabia	18.6
		United States of America	39.4
Zimbabwe	Malnutrition prevention activities	Germany	0.3
	Unconditional resource transfers to support access to food	Canada	2.7
		Germany	2.2
		United States of America	1.5
	Asset creation and livelihood support activities	Germany	4.2
		United States of America	4.6
Total			1 996.2

ANNEX II

INTERNAL PROJECT LENDING 2004–2021 (USD million)			
Year	IPL	MAF	Total
2004	27.1	-	27.1
2005	154.5	-	154.5
2006	36.8	-	36.8
2007	157.3	-	157.3
2008	324.6	-	324.6
2009	227.1	-	227.1
2010	427.3	-	427.3
2011	439.1	-	439.1
2012	636.1	-	636.1
2013	675.2	-	675.2
2014	1 092.8	-	1 092.8
2015	777.5	-	777.5
2016	1 072.4	100.70	1 173.1
2017	1 277.7	36.00	1 313.7
2018	1 248.5	98.70	1 347.2
2019	1 616.4	197.70	1 814.1
2020	1 436.4	106.70	1 543.1
2021	1 996.2	190.60	2 186.8
Total	13 623.0	730.4	14 353.4

ANNEX III**2021 contributions to replenish the Immediate Response Account**

Donor	Contribution amount (USD)
Directed contribution to the IRA reserve	64 011 008
Belgium	15 552 643
Switzerland	15 234 103
United States of America	14 500 000
Germany	12 797 012
France	2 344 666
Norway	2 221 087
Luxembourg	609 756
China	300 000
Faroe Islands	227 551
Liechtenstein	110 237
Bulgaria	102 620
Spain	11 333
Multilateral contribution to the IRA reserve	30 600 000
Norway	10 000 000
Australia	6 182 022
Denmark	5 823 066
Republic of Korea	4 162 364
United Kingdom of Great Britain and Northern Ireland	2 000 000
New Zealand	916 456
Sweden	722 691
Spain	560 912
Japan	120 306
Estonia	112 182
PSA equalization account	-
Other	23 219 746
Surplus from self-insurance allocation	20 000 000
Unspent balances	3 188 553
Quarterly IRA reserve adjustment	31 193
Total	117 830 754

ANNEX IV**2021 Immediate Response Account allocation**

Country	Activity category	2021 IRA allocation (USD million)
IRA		195.7
Afghanistan	Unconditional resource transfers to support access to food	48.8
Algeria	Unconditional resource transfers to support access to food	1.8
Ethiopia	Unconditional resource transfers to support access to food	14.6
	Nutrition treatment activities	7.5
Haiti	Unconditional resource transfers to support access to food	3.3
Iran (Islamic Republic of)	Unconditional resource transfers to support access to food	0.2
Jordan	Unconditional resource transfers to support access to food	2.0
Libya	Unconditional resource transfers to support access to food	1.4
Madagascar	Unconditional resource transfers to support access to food	16.2
Mozambique	Unconditional resource transfers to support access to food	26.3
Myanmar	Unconditional resource transfers to support access to food	8.4
Nigeria	Unconditional resource transfers to support access to food	32.9
Tajikistan	Asset creation and livelihood support activities	0.5
Venezuela (Bolivarian Republic of)	Unconditional resource transfers to support access to food	0.0
	School meal activities	3.8
Yemen	Unconditional resource transfers to support access to food	28.2
Immediate response requests		18.2
Angola	Unconditional resource transfers to support access to food	0.9
Burundi	Unconditional resource transfers to support access to food	1.4
Caricom	Unconditional resource transfers to support access to food	0.7
Central African Republic	Unconditional resource transfers to support access to food	1.4
Gambia (the)	Unconditional resource transfers to support access to food	0.9
Guinea	Unconditional resource transfers to support access to food	1.6
Mali	Unconditional resource transfers to support access to food	2.2
Mozambique	Unconditional resource transfers to support access to food	0.9
Niger (the)	Unconditional resource transfers to support access to food	1.4
Nigeria	Malnutrition prevention activities	0.1
	Unconditional resource transfers to support access to food	1.3
Philippines	Unconditional resource transfers to support access to food	1.4

Country	Activity category	2021 IRA allocation (USD million)
Rwanda	Unconditional resource transfers to support access to food	0.4
Senegal	Unconditional resource transfers to support access to food	0.9
Sierra Leone	Unconditional resource transfers to support access to food	0.9
South Sudan	Unconditional resource transfers to support access to food	0.9
Togo	Unconditional resource transfers to support access to food	0.6
Emergency preparedness		6.0
Angola	Unconditional resource transfers to support access to food	0.3
Bhutan	Institutional capacity strengthening activities	0.2
Bolivia (Plurinational State of)	Asset creation and livelihood support activities	0.1
Cameroon	Unconditional resource transfers to support access to food	0.0
	Institutional capacity strengthening activities	0.3
Chad	Unconditional resource transfers to support access to food	0.4
Colombia	Institutional capacity strengthening activities	0.2
Côte d'Ivoire	Unconditional resource transfers to support access to food	0.1
Dominican Republic	Institutional capacity strengthening activities	0.1
Ecuador	Individual capacity strengthening	0.2
Ghana	Institutional capacity strengthening activities	0.1
Haiti	Unconditional resource transfers to support access to food	0.0
Kyrgyzstan	Asset creation and livelihood support activities	0.2
	Institutional capacity strengthening activities	0.0
Lebanon	Unconditional resource transfers to support access to food	0.2
Liberia	Unconditional resource transfers to support access to food	0.2
Libya	Unconditional resource transfers to support access to food	0.0
Mali	Unconditional resource transfers to support access to food	0.2
Nicaragua	Institutional capacity strengthening activities	0.2
Niger (the)	Unconditional resource transfers to support access to food	0.2
Pakistan	Emergency preparedness activities	0.5
Regional Bureau for Latin America and the Caribbean	Emergency preparedness activities	0.4
Sierra Leone	Institutional capacity strengthening activities	0.1
Regional Bureau for Western Africa	Emergency preparedness activities	0.1
Somalia	Unconditional resource transfers to support access to food	0.2
South Sudan	Unconditional resource transfers to support access to food	0.6
State of Palestine	Unconditional resource transfers to support access to food	0.1

Country	Activity category	2021 IRA allocation (USD million)
Tajikistan	Unconditional resource transfers to support access to food	0.3
	Asset creation and livelihood support activities	0.3
United Republic of Tanzania	Unconditional resource transfers to support access to food	0.2
Uganda	Unconditional resource transfers to support access to food	0.2
Zimbabwe	Unconditional resource transfers to support access to food	0.1
Total		220.0

ANNEX V

2021 GCMF purchases and lead-time gain

Recipient country	2021 GCMF purchases (<i>USD million, food value only</i>)			2021 lead-time gain (%)
	International	Local/regional	Total	
Afghanistan	59.0	59.4	118.5	52
Algeria	0.1		0.1	100
Angola	0.5	0.1	0.6	66
Bangladesh	9.5		9.5	65
Benin	7.7		7.7	48
Burkina Faso	9.4	18.7	28.1	50
Burundi	3.9	2.8	6.7	88
Cameroon	9.5	3.1	12.6	73
Central African Republic	4.9	0.1	4.9	76
Chad	6.9	4.8	11.7	65
Colombia	0.7		0.7	93
Congo (the)	0.9	0.3	1.2	55
Democratic Republic of the Congo (the)	8.8	5.9	14.7	78
Djibouti	0.2		0.2	100
Democratic People's Republic of Korea	0.7		0.7	100
Eswatini	0.3	1.0	1.3	94
Ethiopia	97.9	45.5	143.4	69
Gambia (the)	0.7		0.7	64
Guinea	1.3		1.3	58
Guinea-Bissau	0.6		0.6	16
Honduras	0.3	0.0	0.4	76
Kenya	4.1	8.0	12.1	94
Lesotho	0.3		0.3	100
Madagascar	38.0	5.2	43.3	45
Malawi		0.9	0.9	55
Mali	2.9		2.9	100
Mauritania	2.9		2.9	77
Mozambique	6.3	24.9	31.2	70
Myanmar	4.3	1.8	6.1	9
Nicaragua	1.3	0.3	1.6	1
Niger (the)	10.0	20.6	30.6	84

Recipient country	2021 GCMF purchases (<i>USD million, food value only</i>)			2021 lead-time gain (%)
	International	Local/regional	Total	
Nigeria	8.7	107.2	115.8	81
Rwanda	0.0	1.2	1.3	77
Senegal	0.7	0.3	1.0	39
Sierra Leone	3.1		3.1	62
Somalia	8.4	9.7	18.1	81
South Sudan	17.0	55.7	72.7	84
Sudan	9.6	23.3	32.9	76
Syrian Arab Republic	14.6	23.6	38.2	54
Tajikistan	0.1		0.1	56
Timor-Leste	0.1		0.1	100
Togo	0.1		0.1	23
Uganda	3.3	34.2	37.6	92
United Republic of Tanzania	2.8	6.7	9.5	89
Venezuela (Bolivarian Republic of)	2.4		2.4	46
Yemen	104.7	223.1	327.9	81
Zambia		0.0	0.0	76
Zimbabwe	1.2	16.5	17.6	77
Total	470.7	705.2	1 176.0	73

Acronyms

CERF	Central Emergency Response Fund
COVID-19	coronavirus disease 2019
CSP	country strategic plan
GCMF	Global Commodity Management Facility
IPL	internal project lending
IRA	Immediate Response Account
MAF	macro advance financing
SNF	specialized nutritious food