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For information

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

Report on the utilization of WFP's strategic financing mechanisms (1 January–31 December 2025)

Draft decision*

The Board takes note of the report on the utilization of WFP's strategic financing mechanisms for the period 1 January to 31 December 2025 (WFP/EB.A/2026/6-B/1).

* 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. Although 2025 was one of the most challenging years for humanitarian assistance, WFP continued to operate with unparalleled efficiency in delivering life-saving and life-changing assistance to the most vulnerable people.
2. To enhance responsiveness, WFP continues to employ strategic financing mechanisms that allow it to release funds before contributions are confirmed, enabling country offices to undertake swift action such as early food procurement, rapid staff deployment, the initiation of cash-based transfer distributions and critical engineering work to improve access. In 2025 almost USD 1.3 billion was released through WFP's strategic financing mechanisms in advance of confirmed contributions.
3. This report describes WFP's use of its strategic financing mechanisms in 2025. Those mechanisms include advance financing for programmes provided through internal project lending (IPL) and the Immediate Response Account (IRA); the anticipatory procurement of food through the Global Commodity Management Facility (GCMF); and corporate services financing that enables WFP to finance capital investments.

I. Advance financing: internal project lending and the Immediate Response Account

4. In line with previous years, WFP used two mechanisms to provide programmes with advance spending authority: IPL and the IRA.
5. IPL is revolving advance financing that enables country offices to incur financial commitments and make expenditures before contributions for country strategic plan (CSP) activities are confirmed. It helps WFP to take anticipatory action and address operational shortfalls in a timely manner. IPL can be provided based on a specific forecast contribution, referred to as "specific forecast advance financing", or on total projected funding for a country operation, known as "macro advance financing" (MAF). Both specific forecast advance financing and MAF are managed within an IPL ceiling.¹
6. The IRA enables WFP to provide immediate assistance for critical life-saving activities in the absence of forecast contributions through the allocation of funds held in the IRA reserve. The IRA reserve is replenished through donor contributions directed to the reserve, repayments of amounts distributed from the IRA reserve and transfers from other reserves or internal accounts.

Use of internal project lending in 2025

7. Contributions to fund CSPs declined by 33 percent² in 2025 compared with 2024. The challenge of this decrease was compounded by three factors: reduced visibility of expected contributions, lower overall eligibility of contributions for advance financing and late confirmation of eligibility. Consequently, only 31 percent of contributions to CSPs were eligible for advance financing in 2025, representing a 33 percent decrease from 2024.
8. These factors resulted in IPL utilization being significantly reduced in 2025, reaching levels equivalent to 2010, when WFP's revenue was USD 4.1 billion, approximately one third less than in 2025. This contraction in IPL reduced WFP's ability to pre-position food, initiate large-scale cash-based transfers and contract services ahead of confirmed funding, particularly in complex emergencies where delays of even a few weeks directly translate into

¹ "Decisions and recommendations of the 2022 second regular session of the Executive Board" (WFP/EB.2/2022/11), page 6, decision 2022/EB.2/5, paragraph xiv.

² Based only on monetary and in-kind contributions to CSPs.

fewer people reached, shorter assistance cycles and higher delivery costs. Table 1 shows the value of advances made since 2016.

TABLE 1: INTERNAL PROJECT LENDING (2016–2025) (USD million)			
Year	Specific forecast advance financing	MAF	Total IPL amount advanced
2016	1 072.4	100.7	1 173.1
2017	1 277.7	36.0	1 313.7
2018	1 248.5	98.7	1 347.2
2019	1 616.4	197.7	1 814.1
2020	1 436.4	106.7	1 543.1
2021	1 996.2	190.6	2 186.8
2022	2 380.5	193.4	2 573.9
2023	963.9	208.4	1 172.3
2024	1 793.9	111.3	1 905.2
2025	334.0	93.1	427.1
Total	14 119.9	1 336.6	15 456.5

9. At the start of 2025, USD 216 million of the USD 1.9 billion advanced in 2024 remained outstanding (approximately 11 percent of the total advanced in 2024). This balance was fully repaid during the first quarter of 2025. In 2025, new advances totalling USD 427 million were provided to support programmes across 34 operations. By year-end, less than 1 percent of the amount advanced remained outstanding (USD 4 million), with confirmation of the corresponding collateral donor contributions expected in the first quarter of 2026.
10. Of the USD 427 million advanced in 2025 through IPL, ten operations accounted for 79 percent of the total value, including operations in Afghanistan, Bangladesh, Lebanon, the Sudan, Ukraine and Yemen. In Afghanistan USD 74 million was provided to sustain life-saving food and cash-based assistance for households facing Integrated Food Security Phase Classification phase 3 conditions during the winter. USD 64 million was provided for operations in the Sudan to deliver prioritized digital cash-based transfers to over 600,000 people suffering famine as well as to support agricultural infrastructure and market connections for targeted smallholder farmers. Advances of USD 29 million were provided to the Bangladesh country office to support 1 million Rohingya refugees and to the Lebanon country office to deliver cash assistance to 147,000 Syrian refugees. The Ukraine country office received USD 28 million to maintain WFP capacity to respond to emerging risks and maintain food security for more than 800,000 beneficiaries. The Yemen country office received USD 27 million to procure food to fill a gap in general food assistance and nutrition programmes.
11. MAF advances are issued based on comprehensive funding forecasts that take into consideration donors' intentions and recent resourcing trends in the country offices requesting the advances. Within the total IPL ceiling, at any point in time a maximum of USD 270 million can be allocated through MAF.
12. The benefits of MAF are widely recognized, and flexible contributions play a key role in the repayment of MAF advances. This flexibility allows WFP to grant spending authority to country offices based on overall funding projections. Hence, for this and other reasons, WFP continues to advocate flexible contributions and the minimal earmarking of funds. The use of MAF continued selectively in 2025, when country-level funding outlooks provided

sufficient assurance of repayment. During the year, advances totalling USD 93 million were provided to three country offices (as shown in table 2), including USD 66 million for Afghanistan, USD 21 million for Bangladesh and USD 6 million for Ethiopia. The advances for Afghanistan and Bangladesh were initially provided through IPL and were collateralized by specific donor contributions; following a change in the risk profiles of the advances, however, they were reclassified as MAF and recovered from various eligible contributions. All MAF advances were fully repaid in the last quarter of 2025.

TABLE 2: 2025 MACRO ADVANCE FINANCING OVERVIEW (USD million)		
Recipient country office	Total MAF advances	MAF outstanding (31 December 2025)
Afghanistan	66.1	0.0
Bangladesh	21.0	0.0
Ethiopia	6.0	0.0
Total	93.1	0.0

Afghanistan

Afghanistan's economy remains exceedingly fragile. While there have been localized improvements in food security, the humanitarian situation continues to be critical, with food insecurity still at alarmingly high levels. In this context, uninterrupted delivery of life-saving assistance is essential.

In 2025, WFP operations in Afghanistan received five IPL advances totalling USD 74 million, including USD 66 million through the MAF facility to sustain operations amid persistent funding uncertainty. WFP leveraged advance financing mechanisms to bridge critical gaps prior to receiving confirmed donor contributions.

On average, advances were accessed between 30 days and 180 days in advance of donor contributions, allowing WFP to respond at scale and without disruption during periods of acute need.

The Sudan

The Sudan's crisis deepened significantly in 2025, driven by conflict, economic collapse and mass displacement, with widespread food insecurity and severe access constraints heightening humanitarian needs.

To bridge funding gaps ahead of confirmed donor contributions, WFP leveraged seven advances amounting to USD 64 million, enabled urgent procurement and more effectively planned logistics operations, helping to mitigate delays and prevent disruptions in food distributions amid an extremely volatile operating environment.

Advances were received on average between 30 days and 90 days ahead of confirmed donor contributions, providing critical financial flexibility and ensuring the timely continuation of life-saving assistance at scale.

Internal project lending ceiling, operational reserve and risk management

13. In 2022, WFP's Executive Board approved a change in the IPL facility ceiling, replacing a fixed United States dollar amount with a flexible dynamic ceiling of up to 10 percent of the prevailing global contribution forecast, with the proviso that the ceiling not exceed an operational reserve coverage ratio of 10:1. In 2025, the IPL ceiling was adjusted once to align it with WFP's adjusted global contribution forecasts. In the beginning of the year, the ceiling

was USD 770 million – 10 percent of the USD 7.7 billion global forecasts prevailing at the time. The ceiling was reduced to USD 640 million in February 2025 following the revision of the global forecast to USD 6.4 billion. Throughout 2025 IPL usage remained below the ceiling.

14. An operational reserve of USD 130 million exists to cover losses in the event that forecast contributions fail to materialize. The reserve has been used only twice since its establishment, in 2005 and 2011, at a total cost of USD 8.1 million.³ There have been no losses since 2011.
15. To manage the financial risks associated with IPL and MAF, WFP continued to apply a structured risk management framework based on regular forecasting, detailed analysis of funding outlooks to assess repayment ability and periodic monitoring of advance financing utilization and repayments. Given the planning benefits and improved resource predictability for operations provided by IPL, WFP is closely monitoring the utilization of IPL advances and will engage with donors with the aim of improving the eligibility of contributions for use as advance financing in 2026.
16. Low eligibility and the unpredictability of contributions continued to constrain the use of IPL advance financing in 2025. Total contributions eligible for IPL declined by 33 percent compared with 2024, resulting in missed opportunities to realize efficiencies from early resource planning, including procurement and other preparatory activities that could otherwise be undertaken through advance financing, on average 68 days prior to the confirmation of contributions.
17. An example of the impact of lost opportunities in accessing IPL is South Sudan, where eligible contributions have decreased by USD 30 million, a 19 percent decrease from 2024. Eligible contributions in that amount would have enabled WFP to pre-position approximately 15,000 mt of additional food stocks, manage supply chains more effectively and avoid costly air operations, achieving savings of approximately USD 25 million.

Use of the Immediate Response Account in 2025

18. The IRA is a flexible, revolving multilateral funding mechanism. It serves as a last resort that enables WFP to provide immediate assistance by advancing funds for critical life-saving activities when no viable alternative funding source is available. It is a WFP reserve that can be replenished through donor contributions specifically designated for that purpose, other discretionary and fully flexible donor contributions and, subject to the Board's approval, transfers from other WFP funds.
19. An IRA advance does not require that a specific forecast contribution serve as collateral. It can be repaid, or "revolved", using any confirmed contributions, provided donor conditions allow. The contributions used to revolve funds are reported under the operations for which the funds were used, ensuring compliance with donor terms and conditions. If an IRA advance is not repaid by the end of the term of the CSP for which it is made, it is typically converted into a grant.
20. As of 1 January 2025, the opening available balance of the IRA was USD 200.4 million. During the year, WFP mobilized USD 244.5 million for the IRA, reaching 61 percent of the annual USD 400 million fundraising target. This included USD 53.9 million in directed contributions from donors, USD 110.6 million in revolved funds, USD 5 million in interest and miscellaneous revenue, and a USD 75 million Board-approved transfer from the unearmarked portion of WFP's General Fund (see table 3).

³ The unrecovered advances that gave rise to the use of the reserve were USD 5.9 million for a protracted relief and recovery operation in the Democratic Republic of the Congo in 2005 and USD 2.2 million for United Nations Humanitarian Air Service operations in 2011.

TABLE 3: IMMEDIATE RESPONSE ACCOUNT MOVEMENTS, 2016–2025 (USD million)

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Directed IRA contributions	33.9	33.2	29.6	22.6	24.7	64.0	101.1	107.5	74.2	53.9
Revolved funds	125.2	114.5	68.3	150.0	82.5	70.4	220.4	131.6	146.6	110.6
Other revenue	13.7	28.7	67.1	23.1	77.5	53.8	180.0	155.8	54.2	80.0
<i>Multilateral contributions</i>	13.7	13.7	23.1	23.1	25.0	30.6	50.0			
<i>Unearmarked General Fund</i>							100.0		50.0	75.0
<i>PSAEA</i>		15.0	44.0		52.5		30.0	150.0		
<i>Surplus from WFP's self-insurance special account</i>						20.0				
<i>Others*</i>						3.2		5.8	4.2	5.0
Total revenue	172.8	176.4	165.0	195.7	184.7	188.2	501.5	394.9	275.0	244.5
Allocations	215.2	154.2	144.2	161.0	188.5	220.0	385.0	433.5	196.1	297.3

* Others: Currency exchange gains from donor contributions, interest accrued on donor funds, returns of unspent amounts from IRA allocations and transfers of unspent balances from contributions to CSPs, interim CSPs, transitional interim CSPs, limited emergency operations or other recipient WFP activities, trust funds and special accounts subject to donor or Executive Board consent when applicable.

Abbreviation: PSAEA = programme support and administrative equalization account.

21. In 2025, USD 297.3 million was allocated from the IRA to support 26 operations (see annex IV), enabling WFP and its partners to respond rapidly to emergencies and to strengthen readiness and operational capacity to undertake immediate life-saving activities.
22. Five operations accounted for 71 percent of total IRA allocations in 2025, including USD 68 million for South Sudan to support life-saving assistance for 1.8 million people; USD 47 million to provide assistance to 1 million famine-affected people across the Sudan; USD 40 million for food delivery during ceasefires in the State of Palestine to assist 182,000 beneficiaries; USD 35 million to address severe winter food insecurity in Afghanistan; and USD 21 million to support more than 150,000 people displaced by the worsening humanitarian crisis in the Democratic Republic of the Congo.
23. In addition, USD 3.9 million was allocated from the IRA for preparedness activities across ten operations, supporting a range of activities addressing risks such as hurricanes, cyclones, typhoons, floods, conflict and displacement as well as public health emergencies such as MPOX and cholera outbreaks. The largest advances were provided for operations in the Bolivarian Republic of Venezuela, Cuba, Malawi, Mozambique and the Philippines.
24. The amount allocated from the IRA for preparedness activities was lower than expected due to several factors, including the large number of large and complex emergencies resulting in the prioritization of emergency response over preparedness.

25. Overall, the decline in contributions constrained country offices' access to the IPL advance financing mechanism as well as other funds, resulting in increased reliance on IRA resources (evidenced by a 78 percent decrease in IPL allocations in 2025 compared with the previous year, versus a 52 percent increase in IRA allocations over the same period). The overall decline in WFP's contributions in 2025 was mirrored in both direct donor contributions to the IRA and country office repayments to the IRA, which fell by 27 percent and 25 percent respectively.
26. The IRA is the funding source of last resort, and 2025 underscored its critical role as a flexible and responsive financing instrument in a constrained funding environment. Sustaining the effectiveness of the IRA requires timely and adequate replenishment of the account to preserve its revolving nature and ensure that funds are available for continued readiness to respond to sudden-onset emergencies and escalating humanitarian needs. Maintaining a well-capitalized IRA remains essential to safeguarding WFP's ability to deliver rapid life-saving assistance when other funding is not immediately available. WFP welcomes financial support that Member States and other donors can provide for this important and life-saving mechanism.

South Sudan

The war in the Sudan has exacerbated South Sudan's economic crisis, following the rupture of a key oil pipeline and severe disruptions to market supplies. The conflict has also closed a major WFP supply route from the north, making it increasingly difficult to deliver food to northern areas such as Bentiu, which has also suffered from severe flooding. To mitigate funding shortfalls and operational disruptions, WFP's South Sudan country office utilized advance financing mechanisms to scale up life-saving food and nutrition assistance.

In 2025, an IRA allocation of USD 68 million enabled WFP to pre-position 20,487 mt of assorted commodities, supporting life-saving assistance for 1.8 million people despite escalating access and funding constraints. This allocation also enabled WFP to stabilize supply chains and avoid costly air operations, representing savings in transport costs of USD 35 million.

Myanmar

In March 2025, a powerful 7.7 magnitude earthquake devastated central regions of Myanmar, causing extensive damage and disrupting access to food, shelter and basic services.

An IRA allocation of USD 19 million enabled WFP to rapidly scale up life-saving food assistance, reaching 448,000 affected people within the first months of the crisis, including in some of the hardest-to-reach areas. This flexible funding was critical in addressing urgent needs while safeguarding the pipeline for communities already facing severe food insecurity, ensuring that no assistance was interrupted at a moment of unprecedented humanitarian demand.

Caribbean Community countries – Jamaica

On 28 October 2025, Hurricane Melissa affected more than 1 million people in Jamaica, with an estimated 359,000 in urgent need of food and other essential assistance. A rapid IRA allocation of USD 16 million enabled WFP to swiftly support the Government's emergency response, delivering food kits to 106,000 people in the initial days of the crisis. IRA funding was also critical in restoring access and telecommunications in severely affected areas, allowing WFP to shift quickly from in-kind assistance to cash-based support through national social protection systems, demonstrating the value of advance financing in enabling both speed and system strengthening.

Mozambique

In response to forecasts of heavy rainfall and cyclones in Mozambique, WFP supported the national disaster risk management agency in that country using an IRA advance for emergency preparedness ahead of the 2024/25 cyclone season. Key activities included capacity building, equipment provision, logistics support, emergency communications, simulation exercises and training for staff, partners and local committees. These actions enabled responses within 48–72 hours, improved data collection and enhanced coordination. The experience highlighted the importance of ongoing capacity-building, stronger collaboration among humanitarian actors and the integration of disaster risk reduction and protection measures to enhancing resilience, minimizing vulnerability and ultimately strengthening national preparedness and the Government's effectiveness in future emergencies.

II. Global Commodity Management Facility

27. The GCMF is a strategic financing mechanism that enables WFP to purchase food in anticipation of country offices' operational needs and confirmed contributions. Its primary objectives are to reduce the lead times for food deliveries, particularly in emergencies; optimize purchasing by taking advantage of favourable market conditions; achieve economies of scale; and facilitate local and regional procurement.
28. Through GCMF operations, WFP keeps stocks of food for distribution in Eastern, Western and Southern Africa, the Middle East and Asia. The stocks are replenished using corporate funds based on forecasts of collective demand and resources for country offices that share common logistics corridors. Food held by the GCMF is released for use in specific programmes once funding for the programmes is secured through confirmed contributions or advance financing.

Highlights of Global Commodity Management Facility operations in 2025

29. In 2025, WFP faced a sharp reduction in contributions and heightened uncertainty regarding its funding outlook for 2025 and 2026. This resulted in a lower risk appetite for advance purchases, and as a result the GCMF was used less in 2025 than in previous years. Nevertheless, nearly half of all food purchases by country offices were made through the GCMF, reducing purchasing lead-time by an average of 74 days. A total of 49 million beneficiaries, 62.6 percent of all recipients of food transfers, received at least one commodity sourced through the GCMF.
30. WFP purchased 805,000 mt of mixed commodities for its operations through the GCMF, at a cost of USD 552.8 million.⁴ As noted above, these commodities were delivered with significantly shorter lead times – on average 33 days (annex V), or roughly one third of the time that it would take under WFP's conventional process to procure and transport food (107 days) – thus enabling more efficient and effective resource utilization.

⁴ This includes food costs and other supply chain costs such as transport and warehousing.

31. Timely food supply is essential in emergencies and can be life-saving. In 2025, the GCMF enabled deliveries for operations in 48 countries, including corporate scale-up operations such as for the Sudan regional crisis and the Gaza emergency, as well as corporate attention operations in countries such as Afghanistan, Burkina Faso, the Democratic Republic of the Congo, Ethiopia, Haiti, Mali, Mozambique, Myanmar, the Niger, Nigeria, Somalia, the Syrian Arab Republic and Yemen. These countries received 91 percent of total volume of commodities purchased through the GCMF, underscoring the mechanism's critical role in emergency response.
32. The Sudan regional crisis response continued to rely heavily on the GCMF in 2025: 80 percent of all food purchased for operations in the Sudan, Chad and South Sudan – amounting to 135,000 mt of mixed commodities valued at USD 103.5 million – was procured in advance through the GCMF and delivered on average in 37 days. This was 80 days faster than average conventional purchase and delivery for these countries (117 days). By contrast, only 16 percent of food for operations in the Gaza Strip was purchased in advance through the GCMF because most commodities in the food basket for those operations fall outside GCMF's regular scope. For items within the standard GCMF food basket, however – such as specialized nutritious foods and wheat – the GCMF accounted for nearly 100 percent of supply.
33. Beyond lead-time efficiency, WFP seeks to use the GCMF's spending authority to purchase food when market conditions are favourable. This is challenging when funding outlooks are uncertain. Nonetheless, in 2025 more than 90 percent of GCMF food purchases in West Africa were made during the harvest season, when prices are generally lower. Improved visibility of incoming funds remains the key to enabling greater use of the GCMF for strategic seasonal purchases globally.
34. In 2025, 51 percent of the food procured by country offices through the GCMF was sourced from local and regional markets, totalling 413,000 mt valued at USD 212.9 million. The GCMF strengthened local sourcing by procuring 43,500 mt, valued at USD 22.3 million, from smallholder farmers.
35. WFP relies on a stable supply of specialized nutritious foods to enhance the nutritional intake of vulnerable populations. The GCMF plays a pivotal role in ensuring the timely and consistent delivery of these commodities. In 2025, country offices procured 101,100 mt of specialized nutritious foods through the GCMF at a cost of USD 187.2 million, accounting for 13 percent of total volume and 39 percent of the total value of all country offices' purchases through the GCMF.

Global Commodity Management Facility ceiling

36. Country offices' purchases through the GCMF in 2025 declined by 32 percent compared with 2024, in line with the overall reduction in funding. This decline reflects both constrained resources and WFP's reduced ability to assume risk for advance purchases, even where such purchases could have improved the timeliness and cost-effectiveness of food assistance. These purchases represented 9 percent of WFP's total contributions (see table 4).

TABLE 4: CONTRIBUTION REVENUE VERSUS GLOBAL COMMODITY MANAGEMENT FACILITY METRICS					
Year	Total contributions* (USD billion)	GCMF ceiling (USD million)	GCMF ceiling as % of total contributions	Country office purchases from GCMF (USD million)	Country office purchases from GCMF as % of total contributions
2016	5.8	350	6.0	636.6	11.0
2017	6.0	350	5.8	861	14.4
2018	7.2	500	6.9	917.2	12.7
2019	8.0	560	7.0	932.2	11.7
2020	8.4	560	6.7	942.8	11.2
2021	9.4	660	7.0	1532	16.3
2022	14.1	950	6.7	2286.2	16.2
2023	8.3	1 000	12.0	1164.6	14.0
2024	9.8	890	9.1	927.8	9.5
2025	6.1	640	10.5	552.8	9.1

* Source for 2016–2025: monetary and in-kind contributions listed in WFP's financial statements.

37. Similar to the IPL ceiling, the GCMF ceiling was adjusted once in 2025 to align with WFP's global funding forecasts. Initially set at USD 770 million – equivalent to 10 percent of the USD 7.7 billion forecast at the start of the year – the ceiling was reduced to USD 640 million in February 2025 following a downward revision of the forecast to USD 6.4 billion.

Risk management and commodity losses

38. In 2025, the GCMF experienced incidents related to commodity quality, packaging and expiration, resulting in losses totalling USD 2.6 million. Those losses were recovered through WFP's self-insurance facility and equal 0.7 percent of the value of food replenished purchased in advance to replenish the GCMF inventory.
39. In addition to WFP's self-insurance fund, the GCMF reserve of USD 6 million, set in 2014, serves as a safety net for the GCMF. There was no need to draw on the reserve in 2025.

III. Corporate services financing

40. WFP enhances operational efficiency by providing advance financing through three corporate services financing mechanisms: the Capital Budgeting Facility, fee-for-service arrangements and the Fleet Centre. With the Board's approval, the overall ceiling for corporate services financing was increased to USD 200 million in 2023, and the use of the programme support and administrative equalization account as a reserve for such financing was continued. The allocation of this advance financing across the three mechanisms is based on projected demand and may be adjusted, as needed, within the overall ceiling, in line with any changes in the projections.
41. As seen in in table 5, in 2025 USD 25.2 million in advances was released for various projects and USD 23.2 million of advances was repaid. Outstanding advances as of 31 December 2025 totalled USD 66.5 million, consisting of USD 46.1 million of Capital Budgeting Facility advances and USD 20.4 in Fleet Centre financing advances. No fee-for-service advances were outstanding by year end.

TABLE 5: CORPORATE SERVICES OVERVIEW (USD million)						
Facility	Ceiling	Outstanding (1 January 2025)	Repayment	Advances provided	Outstanding (31 December 2025)	Availability (31 December 2025)
Capital Budgeting Facility	125.0	45.0	15.4	16.5	46.1	78.9
Fee-for-service activities	45.0	0.0	0.3	0.3	0.0	45.0
Fleet Centre	30.0	19.5	7.5	8.4	20.4	9.6
Total	200.0	64.5	23.2	25.2	66.5	133.5

Capital Budgeting Facility

42. The Capital Budgeting Facility provides upfront financing for capital projects that can demonstrate quantifiable economic benefits and efficiency gains. This forms a core component of WFP's corporate services financing architecture, enabling WFP to implement multi-year investments essential for maintaining operational effectiveness. In 2025, advances totalling USD 16.5 million were released through the facility, supporting three strategic initiatives:
- the project for the relocation of WFP's country office in the United Republic of Tanzania from its current location to the United Nations common premises in that country, which aims to consolidate office functions in a single location to reduce long-term accommodation costs and improve operational coherence;
 - WFP's health self-insurance scheme, which is designed to generate cost efficiencies by reducing reliance on external insurance markets; and
 - the final tranche of WFP's 2020 private sector partnerships fundraising strategy,⁵ which aims to promote sustainable income through a new approach to individual giving leveraging innovative engagement modalities, including digital platforms and social media, to expand WFP's supporter base.
43. Repayment performance of the Capital Budgeting Facility continues to be closely monitored and, despite reduced resources for WFP operations in 2025, 13 of 14 initiatives financed remain on or ahead of schedule. In 2025, repayments to the facility totalled USD 15.4 million, equivalent to 103 percent of the repayment plan for the year, driven by early repayments from three projects (the Philippines fit-out project, the Sudan logistics hub expansion in Abeche and the Uganda common premises project) alongside scheduled repayments from the South Sudan country office for the rehabilitation of supply routes, from the country offices in Algeria and Nigeria for premises relocation and upgrading and from the Sudan and Chad country offices for office renovation and construction and the rehabilitation of a logistics hub. Only one project faced delays in repayment in 2025 – an office rehabilitation project in Mali; construction delays and funding constraints at the country office resulted in 40 percent of repayments being delayed. Mitigation measures have been instituted to address these delays and facilitate timely repayment.

⁵ "Private-sector partnerships and fundraising strategy (2020–2025)" (WFP/EB.2/2019/4-A/Rev.1).

44. WFP continues to follow its governance and risk management approach, with advances from the Capital Budgeting Facility expected to be repaid in line with their original multi-year schedules, ensuring the continued revolving nature of the facility and its capacity to support future corporate priorities. As of the end of 2025, the outstanding facility balance stood at USD 46.1 million, of which USD 12.4 million is scheduled for repayment in 2026, with the remainder expected by 2030, as shown in table 6.

TABLE 6: CAPITAL BUDGETING FACILITY: OUTSTANDING AMOUNT AND REPAYMENT PLAN AS OF 31 DECEMBER 2025 (USD million)							
Funding purpose	Outstanding amount	Repayment plan					
Year		2026	2027	2028	2029	2030	Total
Private-sector partnership and fundraising strategy	28.9	5.8	5.8	5.8	5.8	5.7	28.9
Wellness self-insurance scheme	5.8					5.8	5.8
Chad (renovation of sub-offices)	4.7	1.2	1.2	1.2	1.1		4.7
Mali (construction of new office)	3.3	2.5	0.8				3.3
Cash-based transfer data assurance	1.4	1.4					1.4
Chad (expansion of logistics hub in Abeche)	1.2	1.0	0.2				1.2
United Republic of Tanzania (relocation to United Nations common facility)	0.57	0.37	0.2				0.57
Algeria (refurbishment of country office)	0.19	0.09	0.1				0.19
Nigeria (upgrade of six field premises)	0.04	0.04					0.04
Total	46.1	12.4	8.3	7.0	6.9	11.5	46.1
% of total		27	18	15	15	25	100

Fee-for-service financing

45. The fee-for-service financing facility provides advances to cover the costs of internal services provided centrally. These advances are repaid throughout the year from fees collected from users of the services rendered.
46. In 2025, USD 0.3 million in fee-for-service financing was advanced to support the modernized travel management model, which emphasizes duty of care, efficiency, transparency and sustainability. The model includes the adoption of a “lodge card”, now the mandatory instrument for contracting with a travel management company. There were no outstanding advances as of 31 December 2025.

Fleet Centre financing

47. The Fleet Centre financing facility provides advances to support WFP's fleet and leasing needs, including advances to the WFP Fleet Centre (previously the Global Vehicle Leasing Programme, covering the capital and operational costs of fleet services for light and armoured vehicles), the vehicle insurance special account, the global truck fleet and, since 2023, the United Nations Fleet, a joint initiative by WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR). These costs are recovered through vehicle leasing fees charged to the country offices and other users of the services provided. The mechanism enables WFP to strengthen standardization and cost efficiency by, for example, benefiting from centralized vehicle procurement, which lowers vehicle costs through bulk purchasing.
48. In 2025, USD 8.4 million was advanced from the Fleet Centre financing facility to support the United Nations Fleet initiative. No advances were provided for WFP's Fleet Centre or global truck fleet. In terms of repayments, a total of USD 7.5 million was received in 2025 from the WFP Fleet Centre, the United Nations Fleet and the WFP Ethiopia and Sudan country offices for their truck fleets. As of 31 December 2025, the outstanding balance of the facility stood at USD 20.4 million, the majority stemming from the United Nations Fleet. The Fleet Centre facility has USD 7.4 million scheduled for repayment in 2026 and the remaining balance due by 2031, per the schedule in table 7 below.

TABLE 7: FLEET CENTRE FINANCING FACILITY: OUTSTANDING AND REPAYMENT PLAN AS OF 31 DECEMBER 2025 (USD million)							
Year	2026	2027	2028	2029	2030	2031	Total
United Nations Fleet	4.1	3.0	2.7	3.5	3.3	0.5	17.1
WFP Fleet Centre	3.3						3.3
Total	7.4	3.0	2.7	3.5	3.3	0.5	20.4
% of total	36	15	13	17	16	2	100

Fleet Centre financing for the United Nations Fleet

49. Through the Fleet Centre facility, WFP provides advance financing for the United Nations Fleet, which delivers vehicle leasing and fleet-management services to United Nations entities. Co-financed by WFP and UNHCR and operating on a full-cost-recovery basis, the facility promotes system-wide efficiencies through centralized fleet management, in support of United Nations development system reform and consistent with the UN80 initiative. The model requires upfront capital investment to procure vehicles, which are leased to client agencies with costs recovered over time through lease fees and end-of-service-life disposal proceeds. While annual capital injections remain necessary during the scale-up phase (covering initial purchases of vehicles), it is expected that operating costs will be funded by the proceeds of operations such that the fleet will become fully self-financing.
50. Since 2023, WFP and UNHCR have provided the United Nations Fleet with USD 36.7 million in capital financing to sustain its procurement pipeline, with each organization providing 50 percent of this amount. Repayment performance has been strong, with all scheduled 2025 repayments completed by early 2026. In 2025, the United Nations Fleet strengthened its role as the United Nations system's consolidated light-vehicle service, expanding to nearly 1,000 active leases in 100 countries and serving 27 United Nations entities. Lease revenue rose to USD 4.3 million in 2025, compared with USD 2.3 million in 2024, while the operating deficit narrowed from USD 2.7 million to USD 0.6 million due to efficiency gains and economies of scale. As the number of leases increases, the average operating costs per lease

drop (due to fixed costs being shared over a higher number of leases), while the total management fee revenue increases, with the result that the current operating deficit is expected to become an operating surplus in 2027.

51. In 2026, capital requirements are projected to increase to USD 48.6 million to support the procurement of 1,128 vehicles as WFP and UNHCR transition from providing leasing services for their own operations to becoming clients of the United Nations Fleet, from which they will obtain leasing services. This is further explained in paragraphs 53–54 below. For WFP, this will result in additional capital of USD 5.9 million being advanced to the United Nations Fleet, bringing total WFP advance financing for the United Nations Fleet to USD 23 million by 2026.
52. Overall, the expansion and improved financial performance of the United Nations Fleet have enhanced fleet reliability, strengthened operational continuity and contributed to more efficient service delivery across agencies and operations. Given the strategic importance of this initiative in terms of efficiency objectives and in particular in the context of UN80 and other United Nations reform, WFP will continue to assess suitable financing mechanisms to sustain the capital required for the growth and performance of United Nations Fleet operations.

Strategic transition of WFP's leasing services from WFP Fleet Centre to the United Nations Fleet

53. In 2026, WFP began the phased transition of its vehicle leasing services from the Fleet Centre to the United Nations Fleet. This shift entails the end of WFP's direct leasing of light vehicles and armoured vehicles as WFP transfers all new leasing arrangements to the United Nations Fleet. The transition represents a major step towards a unified, cost-efficient inter-agency fleet management model and is in line with WFP's broader efforts to streamline support services, reduce fragmentation and strengthen long-term financial sustainability.
54. While all new leases for WFP operations will be provided by the United Nations Fleet, existing lease arrangements from WFP's Fleet Centre will continue until they expire. The full transition to leases being provided solely by the United Nations Fleet will therefore require six years for light vehicles and nine years for armoured vehicles (due to their longer operational lives). Lease payments from these remaining contracts will continue to accrue to the WFP Fleet Centre special account, and revenue will progressively decline as lease contracts wind down. These revenues will be used first for the repayment of the WFP Fleet Centre outstanding advance of USD 3.3 million and subsequently to support any future capital expenditure requirements for the United Nations Fleet and/or the reduction of leasing fees under WFP leases.

Conclusion

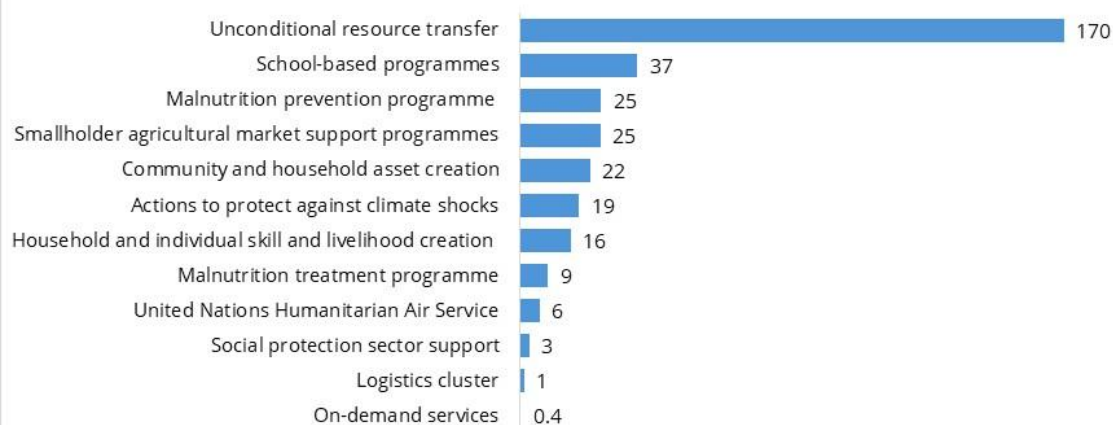
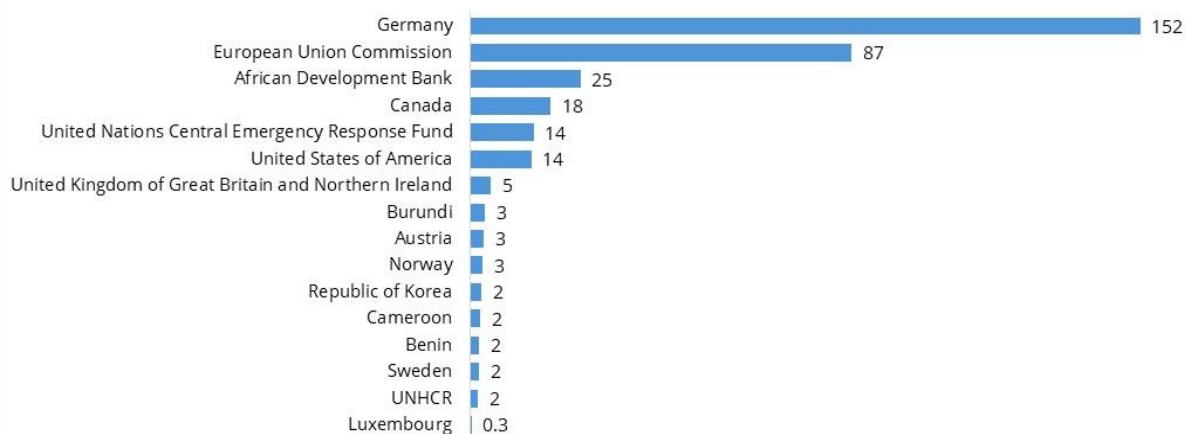
55. In 2025, WFP's strategic financing mechanisms remained indispensable for sustaining life-saving operations amid a sharp contraction in resources. Corporate services continued to be key in providing upfront financing for capital projects that enable WFP to maintain operational effectiveness. IPL, the IRA and the GCMF enabled earlier procurement, pre-positioning and rapid response in some of the world's most severe crises. Yet the combination of lower overall contributions, reduced eligibility of contributions for advance financing and weaker visibility on future funding significantly constrained their use. This translated into fewer opportunities to act early, increased exposure to pipeline breaks and, in several operations, greater reliance on costly last-resort delivery options. Continued reduction in funding and eligibility of contributions for IPL threaten the significant gains that WFP has made in reducing lead time and costs.
56. The same pressures that curtailed IPL utilization also increased dependence on the IRA as financing of last resort, even as its replenishment fell short of targets. While the IRA enabled WFP to mitigate the worst impacts of funding gaps in major emergencies, limited and

unpredictable inflows forced difficult prioritization choices. Under these conditions, WFP's capacity to smooth volatility, protect vulnerable households from abrupt cuts in rations or transfer values and sustain essential services is increasingly constrained, heightening humanitarian risk in already fragile settings.

57. Looking ahead, expanding access to flexible, multi-year and minimally earmarked contributions will be decisive for preserving humanitarian outcomes. Such contributions are the backbone of effective advance financing: they increase the pool of resources eligible for IPL, provide the predictability required to use the GCMF strategically and enable the timely capitalization and revolving use of the IRA. By growing this share of funding, WFP and its partners can regain critical lead time in emergencies, reduce dependence on costly last-resort options and maintain more stable, needs-based assistance even when overall resources are under pressure. WFP will therefore prioritize engagement with Member States and donors to increase flexible and multi-year funding, reduce earmarking and further align financial modalities with the anticipatory, rapid and efficient responses required to reach those most at risk.

ANNEX I**2025 internal project lending: specific-forecast advance financing***Excluding macro advance financing*

Country office	Advanced amount (USD million)
Sudan (the)	64
Lebanon	29
Ukraine	28
Yemen	27
Niger (the)	25
Chad	24
Syrian Arab Republic	22
Mali	11
State of Palestine	10
Burkina Faso	9
South Sudan	9
Ethiopia	9
Bangladesh	8
Afghanistan	8
Haiti	8
Uganda	5
Mauritania	5
Malawi	4
Nigeria	4
Burundi	3
Egypt	3
Philippines	3
Benin	2.6
Kenya	2
Cameroon	2
Venezuela (Bolivarian Republic of)	1.8
Côte d'Ivoire	1.6
Myanmar	1.5
Somalia	1.4
Madagascar	1.3
Jordan	0.6
Republic of Moldova	0.5
Iraq	0.4
Nepal	0.3
Grand total	334

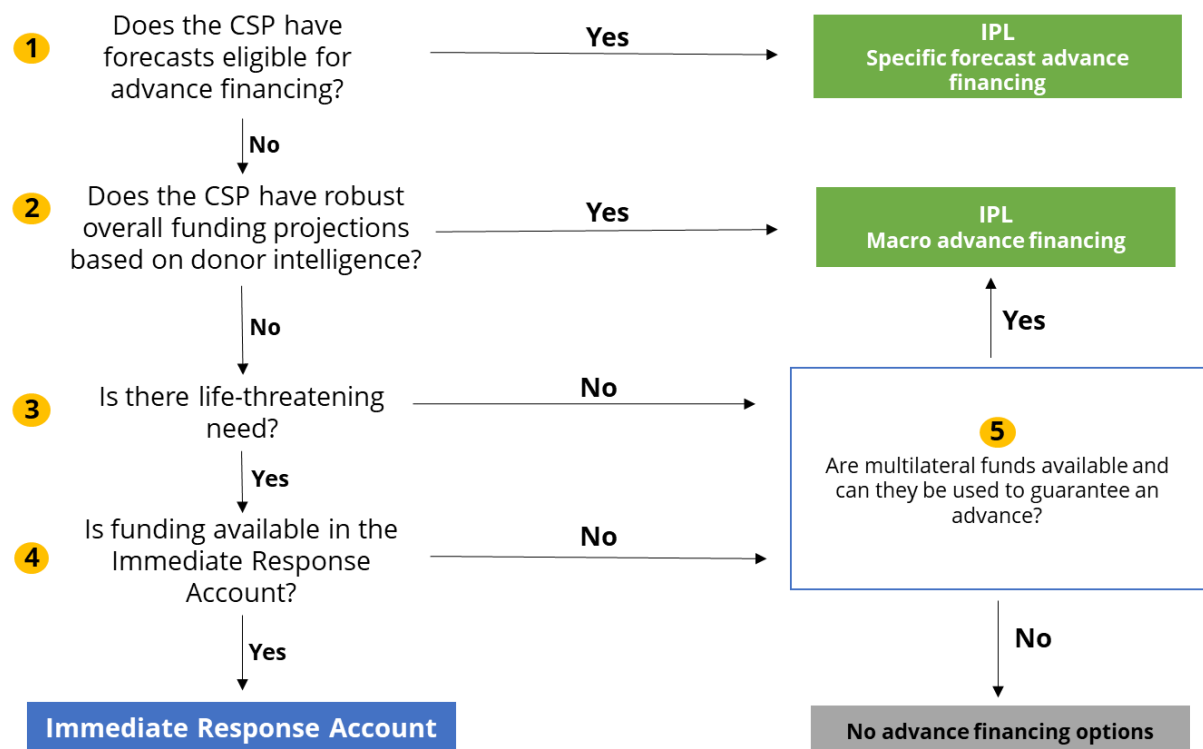
Amounts advanced, by programmatic area (USD million)**Advance amount by collateral donor (USD million)**

ANNEX II

Decision-making process for using internal project lending or the Immediate Response Account

- WFP uses two mechanisms to provide programmes with advance spending authority: IPL and IRA. The figure below illustrates the process followed when deciding whether to use IPL or the IRA.

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



ANNEX III**2025 contributions to replenish the Immediate Response Account**

Contribution	Amount <i>USD million</i>
Directed contribution to the IRA reserve	53.9
Germany	13.9
Private sector	10.9
Switzerland	8.8
Austria	6.5
Belgium	5.8
Canada	3.5
France	2.3
Luxembourg	1.3
Norway	0.7
Liechtenstein	0.2
Other revenue	80.0
Unearmarked General Fund	75.0
Other*	5.0
Revolved funds	110.6
Total revenue	244.5

* Other: Currency exchange gains from donor contributions, interest accrued on donor funds, returns of unspent amounts from IRA allocations and unspent balances from contributions to CSPs, interim CSPs, transitional interim CSPs, limited emergency operations or other recipient WFP activities, trust funds and special accounts subject to donor or Executive Board consent when applicable.

ANNEX IV**2025 Immediate Response Account allocations (*USD million*)**

Country office	Unconditional transfer	Nutrition programme	Emergency preparedness	Aviation	Logistic cluster	Total
South Sudan	68.0					68.0
Sudan (the)	43.6	3.0				46.6
State of Palestine	40.0					40.0
Afghanistan	21.2	13.5				34.7
Democratic Republic of the Congo	15.3	2.0		3.7		21.0
Myanmar	17.8	0.9				18.7
Caribbean multi-country Office	15.0				1.0	16.0
Burundi	9.3		0.2			9.5
Mali	5.4	2.2				7.6
Mozambique	4.7		0.9		0.2	5.8
Central African Republic	4.3	0.2				4.5
Kenya	4.5					4.5
Cuba	3.8		0.6			4.4
Ethiopia	3.7					3.7
Haiti	2.8			0.5		3.3
Pakistan	2.2					2.2
Ecuador	1.8					1.8
Venezuela (Bolivarian Republic of)	1.1		0.6			1.7
Malawi			0.6		0.5	1.1
Dominican Republic	0.5					0.5
Philippines			0.5			0.5
Sri Lanka	0.5					0.5
Pacific island countries and territories			0.1		0.2	0.3
Latin America and Caribbean Regional Office			0.2			0.2
Rwanda			0.1			0.1
Côte d'Ivoire			0.1			0.1
Grand total	265.5	21.8	3.9	4.2	1.9	297.3

ANNEX V**2025 lead-time gains for the largest 15 country offices purchasing food through the GCMF**

Country office	Supply chain lead time (months)	GCMF lead time (months)	Lead time gain (months)	Lead time savings (%)
Afghanistan	2.8	0.7	2.2	77
South Sudan	3.2	0.7	2.5	78
Ethiopia	4.9	1.2	3.8	76
Yemen	2.5	1.2	1.2	50
Syrian Arab Republic	2.4	1.4	1.1	44
Malawi	3.3	0.9	2.4	74
Sudan (the)	5.4	2.5	2.9	54
State of Palestine	5.2	2.3	3.0	57
Chad	4.4	1.3	3.1	70
Niger (the)	3.3	0.6	2.7	82
Burkina Faso	4.0	0.6	3.4	85
Nigeria	3.5	0.8	2.7	77
Uganda	2.7	0.3	2.4	89
Democratic Republic of the Congo	4.9	1.6	3.3	68
Mozambique	5.5	2.2	3.3	60
Total average lead times largest 15 country offices	3.6	1.1	2.5	69

Acronyms

CSP	country strategic plan
GCMF	Global Commodity Management Facility
IPL	internal project lending
IRA	Immediate Response Account
MAF	macro advance funding
UNHCR	Office of the United Nations High Commissioner for Refugees