



World Food
Programme



SAVING
LIVES
CHANGING
LIVES

Report on the utilization of WFP's advance financing mechanisms (1 January – 31 December 2018)

WFP/EB.A/2019/6-H/1

1. WFP's advance financing tools



1

Advance financing for release of funds to projects

Internal Project Lending (IPL) and Macro-Advance Financing (MAF), providing advances against forecasted contributions or overall income; Immediate Response Account (IRA), providing advances with no collateral for life-saving assistance

2

Advance financing for food purchase prior to requests from projects

Global Commodity Management Facility (GCMF), purchasing food in advance of requests from projects to reduce delivery lead-time

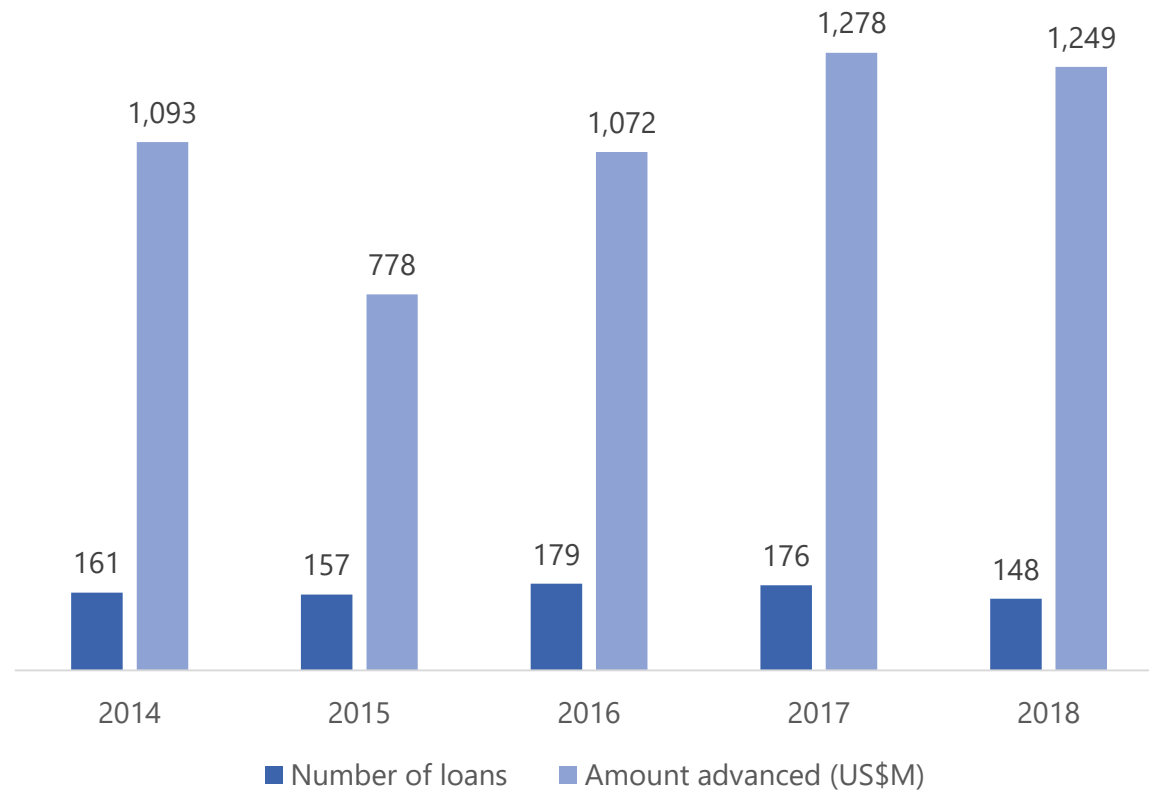
3

Advance financing for corporate services

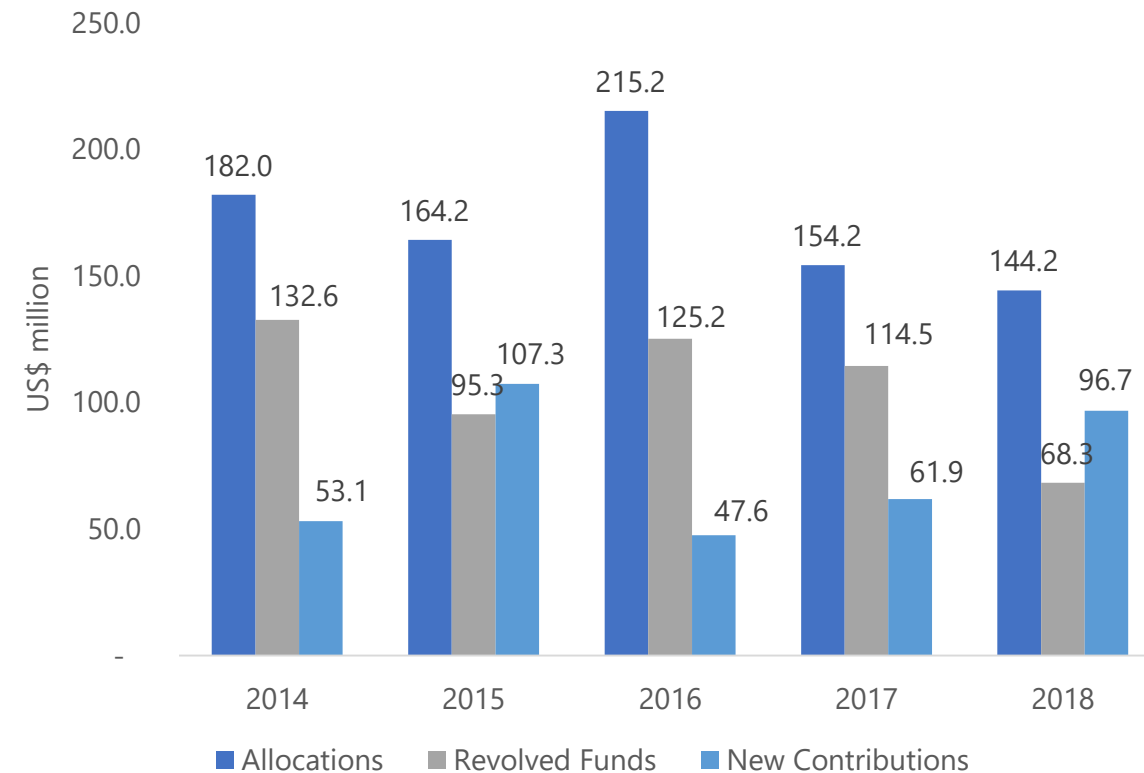
Capital Budgeting Facility, allowing WFP to make investments in the efficiency and quality of corporate services, upon need for larger upfront investments

2. Advance financing for release of funds to projects

Internal Project Lending (IPL)



Immediate Response Account (IRA)



WFP's IPL capacity proved useful in 2018 to minimize gaps due to pipeline breaks and financial transfers

3. Advance financing for food purchase prior to requests from projects and for corporate services

Global Commodity Management Facility (GCMF)

- **2.0 million mt of food** delivered to an estimated **33 million beneficiaries** in 47 countries
- **58% of all cash-funded purchases**
- **34 days average lead-time** (86 days faster than the “conventional” process)
- Average monthly inventory during 2018: **710,000 mt** at various stages of the supply chain

4. Expansion of GCMF ceiling for emergency response

Current GCMF ceiling of **USD 500 million** approved in June 2018

- USD 460 million allocated to active supply lines
- USD 40 million set aside for responding to unfolding emergencies

Should a new emergency unfold, WFP would need to draw on the USD 40 million emergency response envelope

Analysis indicates that USD 40 million **may not be sufficient** to fulfil requirements for additional humanitarian crises

An **increase of USD 60 million** is requested in the GCMF envelop **for emergency response**, i.e.: from USD 40 million to USD 100 million, increasing the **overall GCMF ceiling to USD 560 million**

Secretariat requests an increase of the GCMF ceiling for emergency response from USD 40 million to USD 100 million (increasing overall GCMF ceiling to USD 560 million)

Thank You