

Audited financial statements

For the year ended
31 December 2024

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Structure

Unitaid was created in 2006 in the context of the fight against HIV/AIDS, tuberculosis and malaria in resource-limited settings, with a focus on health products. Its founding members are Brazil, Chile, France, Norway and the United Kingdom.

Unitaid's vision is to expand the reach of the best health products for those who need them most. It does this by designing and investing in innovative approaches to make the best health products available and affordable in low- and middle-income countries. By nurturing and inspiring collective efforts with partners, countries, and communities, it unlocks access to the tools, services and care that can deliver the best results and improve health.

Unitaid's 2023-2027 Strategy establishes a series of Programmatic Priorities for Unitaid that focuses and concentrates its work within the broader areas of HIV and co-infections, tuberculosis, malaria, women and children's health, and the response to global health emergencies. These Programmatic Priorities are based on potential for impact and Unitaid's ability to make a difference. They emphasize prevention, with a focus on access to high-impact preventive tools, particularly for high-risk groups; testing, to close the detection gap, thereby reducing the number of missed cases and facilitating linkage to care; and treatment, prioritizing access to simpler, optimal treatment regimens for adults and children. Critically, equity considerations have informed the design of Unitaid's Programmatic Priorities. In each of them, specific attention was given to the needs of populations or sub-populations disproportionately affected by diseases or lacking access to optimal care relative to other groups, and those of low- and middle-income countries who lack control over their supply and access to optimal products.

Over the past 16 years Unitaid has invested over US\$ 4 billion through grants with key partners across the globe, identifying promising health innovations, showing they can work in low-resource settings, and laying the foundations for partners to make them available at scale. Innovations sponsored by Unitaid support the United Nations Sustainable Development Goals, including the push toward universal health coverage. In so doing, Unitaid maximizes broader investments in the global response, speeding up equitable national responses and touching millions of lives.

Unitaid is a hosted partnership of the World Health Organization (WHO). As Unitaid's host Organization, it provides the Secretariat with administrative services and facilities, as well as management of the balance of the Unitaid Trust Fund and staff benefits. It also provides strategic and technical advice to the Unitaid Executive Board and partners' benefiting from Unitaid support and is an observing member of Unitaid's Executive Board. Unitaid is a self-financing partnership of WHO and its budget is independent from WHO's. Unitaid produces a full set of financial statements which are audited separately and not consolidated in the financial statements of WHO. Unitaid also has a donor relationship with WHO. In this capacity, Unitaid continues to be one of the principal funders of the WHO Prequalification Programme (medicines, vaccines and diagnostics) implemented by the WHO Department of Regulation and Prequalification (HQ/MHP/RPQ). Unitaid also provides funding to WHO for enabling grants (enabling and accelerating the adoption and uptake of new diagnostics, drugs and regimens) in the area of HIV/AIDS, hepatitis C, malaria and tuberculosis, to the Malaria Vaccine Implementation Programme – MVIP, and to the WHO Emergencies Programme.

Governance

The Executive Board, Unitaïd's decision-making body, determines the organization's objectives, monitors progress and approves budgets. The Board is chaired by Marisol Touraine, former French Minister of Social Affairs, Health and Women's Rights, 2012-2017. The Board seeks to take decisions by consensus as far as possible, and is composed of 13 members:

- one representative nominated from each of the five founding countries (Brazil, Chile, France, Norway and the United Kingdom), Spain and the Republic of Korea;
- one representative of African countries designated by the African Union;
- two representatives of relevant civil society networks (nongovernmental organizations and communities living with HIV/AIDS, malaria or tuberculosis);
- one representative of foundations (represented by the Bill & Melinda Gates Foundation);
- one representative of the World Health Organization (non-voting); and
- one representative of non-voting shared Temporary Board Seat (currently represented by Japan).

In 2008, Unitaïd's Executive Board formed two committees to guide them in their work, the Finance & Accountability Committee (FAC), and the Policy & Strategy Committee (PSC). The role of the FAC is to assist the Board in fulfilling its responsibilities with regard to Unitaïd's financial planning, management, performance and accountability, as well as risk management and internal control. The FAC is composed of seven members including Chair and Vice-Chair. The PSC advises the Board on strategic planning, core policies and reviews the performance of the Unitaïd portfolio and responds to policy recommendations from expert advisory groups. The PSC is composed of eight members including Chair and Vice-Chair. The members of both of the standing committees of the Executive Board are appointed for a two-year renewable mandate.

The Proposal Review Committee (PRC) is an independent, impartial team of experts who provide scientific, public health, health systems, programmatic, country implementation, market dynamics and health economics expertise to Unitaïd on proposals submitted for funding and draft grant agreement development (GAD) documents. The PRC comprises up to sixteen Members in addition to the Chair and Vice-Chair. PRC members are appointed by the Executive Board based on the recommendation of the PSC to serve for a three-year renewable mandate.

Vision, Mission, Strategic Principles, and Strategic Objectives

Our Vision is equitable access to health innovations to ensure healthy lives and promote well-being for all.

Our Mission is to expand the reach of the best health products for those who need them most. We do this by designing and investing in innovative approaches to make the best health products available and affordable in low- and middle-income countries. We nurture and inspire collective efforts with partners, countries, and communities, unlocking access to the tools, services and care that can deliver the best results and improve health.

We have four **Strategic Principles**:

1. Improve health outcomes with prevention, diagnosis, and treatment — in particular at primary care level and for HIV and co-infections, TB and malaria.
2. Support people and communities to engage with their own health.
3. Make health systems more efficient and resilient to future threats.
4. Make health care greener and more sustainable.

We have three **Strategic Objectives**:

1. Accelerate the introduction and adoption of key health products.
2. Create systemic conditions for sustainable, equitable access.
3. Foster inclusive and demand-driven partnerships for innovation.

Statement of Internal Control

Unitaid is committed to ensuring the objectivity and independence of all Unitaid staff in the performance of their work, as well as the perception by others of the objectivity and independence of Unitaid staff.

Scope of Responsibility

Unitaid is a hosted partnership of the World Health Organization (WHO), and in accordance with WHO's Financial Regulations, as Executive Director of Unitaid, I am accountable under my delegated authority for the efficient and effective management and use of resources, and to ensure that adequate internal controls are in place and that organization-wide policies and procedures are applied consistently.

Purpose of Internal Control

The system of internal control is designed to reduce and manage rather than eliminate the risk of failure to achieve the Unitaid Secretariat's objectives and related policies. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. It is an ongoing process designed to identify the principal risks, evaluate the nature and extent of those risks, and to manage them efficiently, effectively, and economically.

Internal control is a process, effected by the Executive Board, the Executive Director, Senior Management, and other personnel, and designed to provide reasonable assurance on the achievement of the following objectives:

- effectiveness and efficiency of operations and safeguarding of assets;
- reliability of financial reporting; and
- compliance with applicable rules and regulations.

From an operational perspective, Unitaid's internal control system operates continually at all levels of the Secretariat through internal control processes to ensure the above objectives.

My current statement on Unitaid's internal control processes, as described above, applies for the year ended 31 December 2024, and up to the date of the approval of the Organization's 2024 financial statements.

Unitaid's Operating Environment

Unitaid finances partners through grants, targeted to achieve maximum impact. Unitaid's business displays a wide range of risks at both organizational and project level. Therefore, risk management is an integral part of its framework for strategic planning, resource prioritization, governance, and performance management. The most significant organizational risks are captured in a formal Organizational Risk Register that is subject to regular review by Senior Managers. The key risks associated with each Unitaid-funded grants are identified through separate project-specific risk frameworks.

The Internal Control Framework and Risk Management

Unitaid's Risk Management Policy operates in tandem with the WHO Internal Control Framework. These frameworks support the accomplishment of Unitaid's objectives and goals with enhanced accountability and greater transparency. Unitaid's Risk Management Policy aims to embed a systematic and effective approach to identifying, assessing, and managing risks and opportunities.

In addition to a set of rules, procedures and processes, WHO's Internal Control Framework comprises mechanisms for assessing its overall effectiveness. On an annual basis, managers with delegated financial and administrative authorities, complete a Self-Assessment checklist to assess and monitor the overall internal controls, as well as the key functional control areas, across their respective Units. Results of the self-assessment checklists are analysed in light of recurrent audit findings and top risks identified, to feed into an overall review of effectiveness and continuous improvement action plans.

Review of the Effectiveness of Internal Controls

My review of the effectiveness of the system of internal control is mainly informed by:

- My Senior Managers, who play important roles and are accountable for results, performance, controlling activities under their purview and the resources entrusted to them.
- The internal control self-assessment checklist completed by managers. The 2024 self-assessment exercise deemed internal controls to be adequate overall. The results of the self-assessment exercise is reviewed carefully, and action plans are developed to address areas for improvement, if applicable.
- The Organizational Risk Register, as completed and owned by Senior Management. The 2024 exercise deemed that the top risks in terms of potential incidence and impact relate to resource mobilization, the availability of funding and staff capacity to move into new areas, and the ability of Unitaid investments to show public health impact,
- Reports issued by BDO LLP, the contractor currently providing assurance and consultancy services to Unitaid under the supervision of the Office of Internal Oversight of WHO, which include independent and objective information on the adequacy and effectiveness of Unitaid's system of internal controls together with recommendations for improvement.
- Reports issued by the External Auditor that provide an independent oversight and reporting on Unitaid's compliance with financial rules and regulations. The External Auditor presents an update of its work and key findings to the Finance and Accountability Committee of the Executive Board.
- The Executive Board's observations.

Review of Unitaid Risks

As described above, Unitaid's Senior Management regularly reviews all Unitaid's risks and, based on this review, prepares a formal Organizational Risk Register, assessing the likelihood and impact of each risk, and describing the mitigation plans for each. Following the preparation of the Organizational Risk Register at the end of 2024, I reviewed and endorsed the consolidated findings, together with my Senior Management. The Register was then presented to and discussed with Unitaid's Executive Board. Unitaid's highest risks currently are related to resource mobilization, impact, transition and scale-up of investments, and human resources.

Statement

Internal control, while operating effectively, has inherent limitations, including the possibility of circumvention, no matter how well designed, and therefore can provide only reasonable assurance. Furthermore, because of changes of conditions, the effectiveness of internal control may vary over time.

I am committed to addressing any weaknesses in internal controls that may be noted during the year and brought to my attention.

Based on the above, I conclude that, to the best of my knowledge and information, there are no material weaknesses that would prevent the external auditor from providing an unqualified opinion on Unitaid's financial statements, nor are there other significant matters arising that would need to be raised in the present document for the year ended 31 December 2024 and up to the date of approval of the financial statements.



Dr Philippe Duneton

Executive Director

Unitaid

Geneva, 3 March 2025

Certification of the financial statements for the year ended 31 December 2024

In accordance with Article 34 of the Constitution and Financial Regulation XIII of the World Health Organization (WHO), attached are Financial Statements for the year ended 31 December 2024. The financial statements, accounting policies and notes have been prepared in accordance with the International Public-Sector Accounting Standards (IPSAS). The Financial Statements are also prepared according to the Financial Regulations of the World Health Organization and its Financial Rules. The Financial Statements and the notes have been audited by the Organization's External Auditor, Comptroller and Auditor General of India, whose opinion is included in this report.

The financial statements for the year ended 31 December 2024, together with the notes to the financial statements and supporting schedules, have been reviewed and approved.



Mr. David Curry

Director of Finance and Administration



Dr. Philippe Duneton

Executive Director

3 March 2025

Report of the External Auditor on the Financial Statements To the Executive Board

Opinion

We have audited the financial statements of the Unitaid which comprise the statement of financial position (statement I) as at 31 December 2024, the statement of financial performance (statement [I]), the statement of changes in net assets/equity (statement III), the statement of cash flow (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Unitaid as at 31 December 2024, and its financial performance, changes in net assets/equity, cash flow, and comparison of budget and actual amounts for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of Unitaid in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information, which comprises the information included in the Annual Report for the year ended 31 December 2024 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of Unitaid to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate Unitaid or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Unitaid.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Unitaid.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (d) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of Unitaid to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The section on significant accounting policies and the accompanying notes form part of the financial statements. [10](#)

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of Unitaid that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the WHO Financial Regulations.

In accordance with Regulation XIV of the WHO Financial Regulations, we will also issue a long-form report on our audit of the Unitaid.



K. Sanjay Murthy
Comptroller and Auditor General of India

16th April 2025

Statement I. Statement of Financial Position

As at 31 December 2024

(in thousands of US dollars)

	Notes	31-Dec-24	31-Dec-23
ASSETS			
Current assets			
Cash and cash equivalents held by WHO	5.1	69 791	41 846
Short-term investments held by WHO	5.1	540 462	579 040
Financial asset for hedging	5.2	5 893	613
Contributions receivable	5.3	103 212	104 340
Staff receivables	5.4	966	767
Other receivables	5.5	8	7
Prepayments	5.6	306	25
Promissory notes receivable	5.8	78 786	60 026
Total current assets		799 424	786 664
Non-current assets			
Guarantee deposits receivable	5.7	602	650
Contributions receivable	5.3	32 260	116 840
Promissory notes receivable	5.8	17 588	17 880
Total non-current assets		50 450	135 370
TOTAL ASSETS		849 874	922 034
LIABILITIES			
Current liabilities			
Financial liabilities held by WHO	5.1	4 449	2 488
Accounts payable	5.9	1 175	3 662
Staff payables	5.10	10	49
Accrued staff benefits	5.11	1 402	1 458
Accrued liabilities	5.12	501	217
Deferred revenue	5.13	104 167	100 092
Total current liabilities		111 704	107 966
Non-current liabilities			
Accrued staff benefits	5.11	12 930	8 374
Deferred revenue	5.13	32 260	115 093
Total non-current liabilities		45 190	123 467
TOTAL LIABILITIES		156 894	231 433
NET ASSETS/EQUITY			
Fund balance	7	692 980	690 601
TOTAL NET ASSETS/EQUITY		692 980	690 601
TOTAL LIABILITIES AND NET ASSETS/EQUITY		849 874	922 034

The section on significant accounting policies and the accompanying notes form part of the financial statements. [12](#)

Statement II. Statement of Financial Performance

For the year ended 31 December 2024

(in thousands of US dollars)

	Notes	31-Dec-24	31-Dec-23
REVENUE			
Voluntary contributions	6.1	156 113	179 510
In-kind contributions	6.2	-	140
Total revenue		156 113	179 650
EXPENSES			
Disbursements to grantees	6.3	139 859	159 529
Constituency funding	6.4	642	602
Staff and other personnel costs	6.5	26 838	23 914
Contractual services	6.6	6 767	6 641
Travel	6.7	1 213	1 093
Equipment and furniture	6.8	77	17
General operating expenses	6.9	1 645	1 569
Total expenses		177 041	193 365
Finance revenue	6.10	26 709	35 671
TOTAL (DEFICIT)/SURPLUS FOR THE YEAR		5 781	21 956

Statement III. Statement of Changes in Net Assets/Equity

For the year ended 31 December 2024

(in thousands of US dollars)

	Notes	31-Dec-24	Surplus	Other adjustments (note 5.11)	31-Dec-23
Fund balance	7	692 980	5 781	(3 402)	690 601
TOTAL NET ASSETS/EQUITY		692 980	5 781	(3 402)	690 601

Statement IV. Statement of Cash Flow

For the year ended 31 December 2024

(in thousands of US dollars)

	31-Dec-24	31-Dec-23
CASH FLOWS FROM OPERATING ACTIVITIES		
TOTAL SUPLUS (DEFICIT) FOR THE YEAR	(20 271)	(7 449)
Investment revenue presented in short-term investments	38 578	(66 172)
(Increase) decrease in contributions receivable - current	1 128	(101 239)
(Increase) decrease in staff receivables	(199)	(130)
(Increase) decrease in other receivables	(2)	(7)
(Increase) decrease in prepayments	(281)	(14)
(Increase) decrease in promissory notes receivable - current	(18 760)	19 170
(Increase) decrease in guarantee deposit receivable	48	(62)
(Increase) decrease in contributions receivable – non-current	84 580	(116 840)
(Increase) decrease in promissory notes on deposit- non-current	292	38 905
Increase (decrease) in accounts payable	(2 487)	(7 926)
Increase (decrease) in staff payables	(39)	23
Increase (decrease) in accrued staff benefits - current	(56)	(169)
Increase (decrease) in accrued liabilities	285	(974)
Increase (decrease) in deferred revenue – current	4 075	100 092
Increase (decrease) in accrued staff benefits - non-current	1 153	592
Increase (decrease) in deferred revenue - non-current	(82 833)	115 093
Net cash flows from operating activities	5 211	(27 106)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment revenue presented as investing activities	26 052	29 404
(Increase) decrease in short-term investments held by WHO		-
(Increase) decrease in financial asset for hedging by WHO	(5 280)	(613)
Increase (decrease) in financial liability held by WHO	1 961	(4 704)
Net cash flows from investing activities	22 733	24 087
Cash and cash equivalents held by WHO at the beginning of the year	41 846	44 865
CASH and CASH EQUIVALENTS HELD BY WHO AT END OF THE PERIOD¹	69 791	41 846

¹ Difference due to rounding

Statement V. Statement of Comparison of Budget and Actual Amounts (1 of 2)

For the year ended 31 December 2024

(in thousands of US dollars)

Revenue

	Forecast	Actual	Variance to forecast	Implementation to forecast
Contributions (core)	125 530	125 815	285	100%
Contributions (specified) ²	30 298	30 298	-	100%
Total revenue	155 828	156 113	285	100%

Expenses

	Approved Budget	Actual	Variance to budget	Implementation to budget
Constituency Funding ³	679	642	(37)	95%
Activities ⁴	705	835	130	118%
Governing Bodies	1 384	1 477	93	107%
Staff Costs ⁵	23 300	23 669	369	102%
Activities	5 858	5 827	(31)	99%
Secretariat	29 188	29 496	308	101%
Grants (non-disb ⁶)	535	310	(225)	58%
BDMI ⁷	400	381	(19)	95%
SDIS ⁸	525	25	(500)	5%
Grants, BDMI and SDIS	1 460	716	(744)	49%
Subtotal operations	32 032	31 688	(344)	99%
Other staff costs:				
Actuarial charge		879		
Net benefit adjustment		(892)		
Staff non-payroll		343		
Total operations	32 032	32 018	(14)	100%

² Overhead Cost Recovery (OCR) applied to specified contributions amounted to US\$ 2.4 million. Therefore, the amount available for programming is US\$ 27.9 million.

³ Grant LOAs to fund constituencies (NGO delegation, Communities delegation and the African Countries delegation) are approved separately as part of the yearly budget exercise. Constituency funding for 2022 and 2023 of US\$ 58.8 k were also paid in 2024 against board approved resolutions.

⁴ Governance activities include expenses related to the Chair's office (including rent to UNESCO in Paris), as well as expenditures for committee and Executive Board meetings and/or events.

⁵ Gross payroll and staff entitlement costs including one post funded by specified contributions.

⁶ Costs relating to grants that are not disbursed as part of a signed grant agreement, US\$ 360 k of which is for duty travel. In 2024, of the US\$ 175 k budgeted for non-travel activities, only 23% was needed.

⁷ Business development and market intelligence.

⁸ Strategic development and implementation support. The main activity in the 2024 budget was for a grant management system solution, for which licenses were purchased in 2024, but implementation delayed until March 2025.

Statement V. Statement of Comparison of Budget and Actual Amounts (2 of 2)

For the year ended 31 December 2024

(in thousands of US dollars)

Disbursements and Other Expenditures

	Forecast/ Ceiling	Actual	Variance to forecast/ ceiling	Implementation to forecast/ ceiling
Disbursements ⁹	166 596	139 242	(27 355)	84%
M&E and EVA ¹⁰	2 000	424	(1 576)	21%
PPF ¹¹	1 000	1 017	17	102%
Strategic Initiatives ¹²				
-staff	3 533	2 527	(1 006)	72%
-contractual services	2 400	1 328	(1 072)	55%
Additional RM ¹³	1 072	485	(587)	45%
Partnerships	300	-	(300)	0%
Total disbursements & other expenditures	176 901	145 023	(31 878)	
Total operations, disbursements & other expenditures	208 933	177 041	(31 892)	85%

⁹ Includes staff and activity expenditures incurred as part of the EC contribution received by Unitaidd. Additional information on disbursements by priority area are available in Note 6.3.

¹⁰ Monitoring & Evaluation and External Verification Activity is set aside as a yearly ceiling and only spent on an as needed basis.

¹¹ Project Preparation Facility is a funding facility established by Unitaidd to provide financial support to proponents during grant agreement development.

¹² Forecasted 2024 portion of the Board Approved US\$ 18 million budget for Strategic Initiatives for the period Jul 2023 – Dec 2026.

¹³ The approved budget for additional RM expires at the end of 2024, with recurring activities now included in the 2025 operating budget.

Notes to the financial statements

1. Reporting entity

Unitaid is an international organization that focuses its work within the broader areas of HIV and co-infections, tuberculosis, malaria, women and children's health, and the response to global health emergencies.

Unitaid is a hosted entity of the World Health Organization (WHO), an intergovernmental and specialized agency of the United Nations. The Unitaid Secretariat is based solely in Geneva, Switzerland, with no in-country operations. The operations of the Secretariat are administered in accordance with the Unitaid Constitution and WHO rules.

2. Basis of preparation and presentation

The Memorandum of Understanding signed on 19 September 2006 that established Unitaid as a hosted entity of WHO specifies the principles and rules that apply to funds held in trust by WHO for the benefit of Unitaid. The accounting policies and financial reporting practices applied by Unitaid are in accordance with the WHO Financial Regulations and Rules. The Financial Statements are prepared on the accrual basis of accounting in accordance with IPSAS using the historical cost convention. Where IPSAS does not address a specific matter, the appropriate International Financial Reporting Standard (IFRS) has been applied.

These Financial Statements have been prepared under the assumption that Unitaid is a going concern and will continue in operation and will meet its mandate for the foreseeable future (IPSAS 1 - Presentation of Financial Statements).

These Financial Statements are presented in United States dollars and all values are rounded to the nearest thousand, also denoted as US\$ thousands (US \$000's).

Functional currency and translation of foreign currencies

Foreign currency transactions are translated into United States dollars at the prevailing United Nations Operational Rates of Exchange which approximates to the exchange rates at the date of transactions. The Operational Rates of Exchange are set once a month and revised mid-month if there are significant exchange rate fluctuations relating to individual currencies.

Assets and liabilities (except deferred revenue being non-monetary in nature) in currencies other than United States dollars are translated into United States dollars at the prevailing Operational Rates of Exchange year-end closing rate. The resulting gains or losses are accounted for in the Statement of Financial Performance (Statement II).

The non-United States dollar denominated assets and liabilities in the investment portfolios are translated into United States dollars at the month-end closing rate used by the custodian.

Materiality¹⁴ and the use of judgments and estimates

Materiality is central to Unitaïd's financial statements. The process for reviewing accounting materiality provides a systematic approach to the identification, analysis, evaluation, endorsement, and periodic review of decisions taken involving the materiality of information, spanning a number of accounting areas. The financial statements include amounts based on judgments, estimates and assumptions by management. Changes in estimates are reflected in the period in which they become known.

Financial statements

In accordance with IPSAS 1, a complete set of financial statements has been prepared as follows:

- Statement of Financial Position;
- Statement of Financial Performance;
- Statement of Changes in Net Assets/Equity;
- Statement of Cash Flow
- Statement of Comparison of Budget and Actual Amounts; and
- Notes to the financial statements, comprising a description of the basis of preparation and presentation of the statements, a summary of significant accounting policies, and other relevant information.

Future accounting changes

The IPSAS Board has published the following new and amended standards:

Standard	Title	Effective date	Anticipated impact in year of adoption
IPSAS 43	Leases	1 January 2025	Supersedes IPSAS 13 (Leases) and introduces the right-of-use model for lessees. On the basis of the right-of-use model, once the new standard has been adopted and the expiration of the validity of any transitional provisions has expired, most leases will be required to be capitalized, resulting in an increase in the amount of capitalized assets and the recording of related lease liabilities. The impact on annual financial performance is expected to be broadly neutral as depreciation of leased assets and interest costs on the related lease liabilities will replace the currently recorded lease expenses. The impact of IPSAS 43 on the financial statements of WHO upon adoption, including the impact of consequential amendments to other standards, has been assessed by WHO and will be implemented as at the effective date.
IPSAS 44	Non-current Assets Held for sale and discontinued operations	1 January 2025	This standard was developed to align with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) and specifies the accounting for assets held for sale, and presentation and disclosure of discontinued operations. WHO does not foresee a significant impact on the consolidated financial statements resulting from this standard.
IPSAS 45	Property, Plant and Equipment	1 January 2025	This standard was developed to update principles drawn from IPSAS 17 (Property, Plant and Equipment), adding new

¹⁴ Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

			guidance for heritage assets, infrastructure assets and measurement of property, plant and equipment. The impact of elements of IPSAS 45 relating to heritage assets and the measurement of assets acquired through non-exchange transactions on the financial statements has been assessed by WHO and will be implemented as at the effective date.
IPSAS 46	Measurement	1 January 2025	This standard was developed to help improve measurement guidance across IPSAS. WHO is currently assessing the impact of IPSAS 46 on the relevant areas of the financial statements.
IPSAS 1 and IPSAS 43	Improvements to IPSAS 2023	1 January 2026	Improvements to IPSAS 1 relate the classification of liabilities as current or non-current. Improvements to IPSAS 43 relate to interest rate benchmark reform and sale and leaseback transactions. These changes are not expected to significantly impact the WHO consolidated financial statements.
IPSAS 47	Revenue	1 January 2026	<p>This standard sets out the accounting requirements for revenue transactions in the public sector and replaces IPSAS 9, 11 and 23. The standard is expected to affect the WHO financial statements significantly and the full impact is currently being assessed. One major impact of the standard is that for all earmarked contributions, revenue recognition will be deferred until WHO meets its obligations. Under the current IPSAS 23, WHO recognizes voluntary contributions revenue upon signature of the relevant contribution agreement.</p> <p>WHO expects that there will be sufficient time for implementation and that such implementation will require additional resources.</p>

IPSAS 48	Transfer Expenses	1 January 2026	<p>This standard sets out the accounting requirements for expenses arising from a transaction, other than taxes, in which an entity provides a good, service or other asset to another entity, without directly receiving any good, service or other asset in return.</p> <p>WHO is reviewing the changes within the standard, which is expected to significantly impact the timing of recognition of expenses under Direct Financial Cooperation, Grant Letter of Agreement and Direct Implementation modalities in the WHO/Unitaid's financial statements. WHO expects that there will be sufficient time for implementation and that such implementation will require additional resources.</p>
IPSAS 49	Retirement Benefit Plans	1 January 2026	<p>This standard covers accounting and reporting requirements for public sector retirement benefit plans to improve the transparency and accountability of those plans.</p> <p>Unitaid is a member of the United Nations Joint Staff Pension Fund (UNJSPF), a separate legal and reporting entity where the changes required by the standard are most applicable. The impact of this standard on the Unitaid financial statements is therefore anticipated to be very limited and any potential changes will be aligned with other UN Entities, including the UNJSPF, through the UN Task Force on Accounting Standards.</p>

IPSAS 10, IPSAS 39, IPSAS 19, IPSAS 49 and, IPSAS 43	Amendments to IPSAS Standards: Specific IFRIC Interpretations	1 January 2026	These amendments add authoritative guidance to IPSAS Standards, based on four IFRIC Interpretations, to help entities better understand and apply existing IPSAS principles. WHO does not foresee a significant impact on the consolidated financial statements resulting from these amendments.
IPSAS 50	Exploration for and Evaluation of Mineral Resources	1 January 2027	This standard provides guidance on accounting for exploration and evaluation expenditures, including the recognition of exploration and evaluation assets. This will not be applicable for WHO.
Amendments to IPSAS 43, IPSAS 47, and IPSAS 48	Concessionary Leases and Other Arrangements Conveying Rights over Assets	1 January 2027	These amendments propose new accounting requirements for concessionary leases and right-of-use assets in-kind, and forms phase two of the Leases project, of which IPSAS 43 above is phase one. WHO has a number of concessionary leases and right-of-use assets in-kind, and anticipates that there will be a notable impact on the financial statements. WHO is currently assessing the impact of these amendments on the relevant areas of the financial statements.

WHO, as Unitaïd's hosting agency continues to assess the impact of the above standards on future financial statements in advance of their effective date.

Furthermore, the IPSAS Board has issued Exposure Drafts (EDs), of which the following may have an impact on Unitaïd's future financial statements:

ED	Title	Effective date	Anticipated impact in year of adoption
ED 83	Reporting Sustainability Program Information	November 2022	The objective of ED 83 is to provide additional guidance to facilitate the reporting of sustainability program information. WHO is assessing the impact of these changes which may require additional reporting.

WHO monitors the development of the Exposure Drafts and actively engages with the work of the IPSAS Board through the United Nations System Task Force on Accounting Standards, noting that their application may have an impact on WHO's future financial statements.

3. Significant accounting policies

3.1. Cash and cash equivalents held by WHO

Cash and cash equivalents held by WHO are held at nominal value and comprise cash on hand, cash at banks, collateral deposits, commercial papers, money market funds and short-term bills and notes. All investments that have a maturity of three months or less from the date of acquisition are included as cash and cash equivalents. This includes cash and cash equivalents held in the portfolios managed by external investment managers.

Cash and cash equivalents comprise cash on hand, cash at banks, collateral deposits, commercial paper, money market funds and short-term bills and notes held by WHO on behalf of Unitaid. Cash and cash equivalents are held for meeting short-term cash commitments rather than for investment or other purposes. This includes cash and cash equivalents held in the portfolios managed by external investment managers.

3.2. Investments and financial instruments held by WHO

Financial instruments are recognized from the trade date when WHO becomes a party to the contractual provisions of the instrument until the rights to receive cash flows from those assets have expired or have been transferred and the Organization has transferred substantially all the risks and rewards of ownership.

The principles of IPSAS 41 in relation to the financial reporting of financial assets have been applied in the preparation of these financial statements, and in that respect, the following criteria have been considered in determining the classification and measurement of the financial assets and liabilities:

- (a) the business model for managing the financial assets and liabilities; and
- (b) the contractual cash flow characteristics of the financial assets and liabilities.

These classification criteria determine which of the measurement bases to apply under IPSAS 41 for each category of financial asset or liability: amortized cost, fair value through net assets/equity, or fair value through surplus or deficit.

Financial assets at amortized cost are financial instruments that are held under the business model objective of holding financial assets to collect contractual cash flows (rather than selling the instrument prior to its contractual maturity to realize its fair value changes), where the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through net assets/equity are financial instruments that are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, where the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets or financial liabilities at fair value through surplus or deficit are other financial instruments that are not classified as either at amortized cost or at fair value through net assets/equity.

None of the WHO financial assets or liabilities have been classified as at fair value through net assets/equity.

Under IPSAS 41, a single forward-looking impairment model is applied which requires the recognition of expected credit losses at all times.

The minimum credit rating set in the WHO Investment Policy for any investment is A-/A3. The IPSAS 41 impairment model was applied to financial assets that are classified as at amortized cost, specifically the term deposits and the bank account balances. The calculation of the expected credit losses for the term deposits and for the bank balances yielded figures which were not material in the context of these financial statements, and which are therefore not disclosed.

3.3. Receivables

Accounts receivable and staff receivables are recorded at their net estimated realizable value and not discounted as the effect of discounting is considered immaterial. Current receivables are amounts due within 12 months of the reporting date, while non-current receivables are those that are due more than 12 months from the reporting date of the financial statements.

Voluntary contributions receivable are recognized based on payment terms specified in a binding agreement between Unitaid and the contributor. Where no payment terms are specified, the full amount receivable is recognized as currently due. These are recorded at their estimated net realizable value and not discounted as the effect of discounting is considered immaterial.

Promissory notes receivable relates to amounts held in custody by WHO at the Bank of England, which have not yet been encashed.

An allowance for doubtful accounts receivable is recognized when there is a risk that the receivable may be impaired. Changes in the allowance for doubtful accounts receivable are recognized in the Statement of Financial Performance (Statement II).

In accordance with WHO's Staff Regulations and Staff Rules, staff members are entitled to certain advances including those for salary, education, and rent. The advances have an initial maturity of less than 12 months, and the carrying amount approximates fair value.

3.4. Prepayments and deposits

Prepayments relate to amounts paid to suppliers for goods or services not yet received. Guarantee deposits relate to amounts paid as security for the leasing of office space. Prepayments and deposits are recorded at cost.

3.5. Accounts payable and accrued liabilities

Accounts payable are financial liabilities for goods or services that have been received by Unitaid and invoiced but not yet paid for.

Accrued liabilities are financial liabilities for goods or services that have been received by Unitaid during the reporting period and which have neither been paid for nor invoiced to Unitaid.

Accounts payable and accrued liabilities are recognized at cost as the effect of discounting is considered immaterial.

Funds committed to grants that are neither paid nor representing a binding obligation to pay (see Note 3.10) do not appear in the financial statements.

3.6. Employee benefits

Unitaid recognizes the following categories of employee benefits:

- short-term employee benefits;
- post-employment benefits;
- other long-term employee benefits;
- termination benefits.

Short-term employee benefits are those that are expected to be settled within 12 months after the end of the year in which employees render the related service. These benefits include assignment benefits, compensated absences (e.g. paid leave, such as annual leave), other short-term benefits and the current portion of long-term benefits provided to current employees. An expense is recognized when a staff member provides services in exchange for employee benefits. A liability is reported for any entitlement that has not been settled at the reporting date and represents the amount paid or expected to be paid to settle the liability. Owing to the short-term nature of those entitlements, the liabilities are not discounted for the time value of money and are presented as current liabilities.

Post-employment benefits include pension plans, post-employment medical care, repatriation grants and other lump sums payable after the completion of employment. Post-employment benefit plans are classified as either defined contribution or defined benefit plans.

For **defined contribution post-employment plans**, the obligation for each year is determined by the amounts to be contributed for that year, and no actuarial assumptions are required to measure the obligation or the expense.

WHO is a member organization participating in the **United Nations Joint Staff Pension Fund** (the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization that participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with participation of current and former employees of other organizations in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. WHO and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WHO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. WHO has therefore treated it as a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). WHO's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance (Statement II).

The **defined benefit plans** of WHO include after-service health insurance and the Special Fund for Compensation. The obligation of WHO in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That obligation is discounted to determine its present value and stated at the end of the reporting year less the fair value of plan assets, together with adjustments for unrecognized past service costs. The calculation is performed annually by a qualified independent actuary using the projected unit credit method.

The discount rate is the yield at the reporting date on high-quality credit rated corporate bonds that have maturity dates approximating the terms of the payment obligations. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in net assets/equity in the year in which they arise. All other changes in the liability for those obligations are recognized as surplus or deficit in the Statement of Financial Performance in the year in which they arise.

Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service. Those benefits include the terminal emoluments of staff members and Accident and Illness Insurance. These are measured at the present value of the estimated future cash flows if the payments and the impact of discounting are considered to be material. Actuarial gains and losses are reported in the Statement of Financial Performance.

Termination benefits are recognized as an expense only when WHO is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, and the accounting requirements for short-term benefits applied.

3.7. Provisions and contingent liabilities

Provisions are recognized for future liabilities and charges where Unitaid has a present legal or constructive obligation as a result of past events, and it is probable that there will be a requirement to settle the obligation.

Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of Unitaid.

A contingent liability is disclosed unless the possibility that it will be realized is remote. If it becomes probable that a contingent liability will be realized, a provision is recognized in the year in which the change of probability occurs.

3.8. Deferred revenue

Deferred revenue derives from legally binding agreements between Unitaid and its contributors. Deferred revenue is recognized when:

- a contractual agreement is confirmed in writing by both Unitaid and the contributor; and
- the funds are earmarked and due in a future period.

Deferred revenue is presented as non-current if revenue is due more than one year after the reporting date.

3.9. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by Unitaid during the year and represents an increase in net assets/equity. Unitaid recognizes revenue following the established criteria of IPSAS 1 (Presentation of Financial Statements), IPSAS 23 (Revenue from Non-Exchange Transactions).

All contributions to Unitaid are voluntary, and therefore considered non-exchange revenue. Revenue from voluntary contributions is recorded when a binding agreement is signed by Unitaid and the contributor. Where (i) there are “subject to” clauses in an agreement, or (ii) the total amount is indicative or not mentioned in the agreement and only confirmed upon release of the funds, Unitaid does not control the resource and does not record the revenue and amount receivable until the cash is received. When there are no payments terms specified by the contributor or payment terms are in the current accounting year, revenue is recognized in the current period. Where payment terms specify payment after the year end, the amount is reported as a deferred revenue liability. Where the start date of the contract is after 31 December, revenue is recognized in the future accounting year.

Contributions in-kind and in-service are recorded at an amount equal to their fair market value as determined at the time of acquisition, based on an agreement between Unitaid and the contributor and upon confirmation of the receipt of the goods or services. An entry corresponding to the expense is recorded in the same period that the contributions in-kind and in-service are recorded as revenue.

3.10. Expenses

Expenses are defined as decreases in economic benefits or service potential during the reporting period in the form of outflows, consumption of assets, or incurrences of liabilities that result in decreases in net assets. Unitaid recognizes expenses when goods or services are delivered (delivery principle) and not when cash or its equivalent is paid.

Grant disbursements represent non-exchange contracts signed with partner organizations so that they can implement Unitaid funded projects. As grant agreements signed between grantees and Unitaid stipulate conditions, funds are expensed at the time they are transferred to the grantees in accordance with IPSAS 23 (Revenue from non-exchange transactions); therefore, grant expenses are not based on the value of the overall commitments. However, when through the established internal review process Unitaid recognizes a binding obligation to pay against the cash disbursement requests, these amounts due may be recognized as payables.

3.11. Statement of Cash Flow

The Statement of Cash Flow (Statement IV) is prepared using the indirect method.

3.12. Statement of Comparison of Budget and Actual Amounts

Unitaid uses the accrual basis for both budget and accounting. The budget is prepared and approved on a yearly basis.

Although Unitaid's financial statements cover all the activities of the Organization, the Statement of Comparison of Budget and Actual Amounts (Statement V) includes a comparison of Board approved budget amounts for Governing Bodies, Secretariat, and other operating expenditures. Forecasts to actual comparisons for Revenue, Funds and Projects are included for completeness. Unitaid projects have been previously approved through Executive Board resolution for the duration of the underlying grant agreements.

4. Risk Management

WHO holds Unitaid's cash and cash equivalents and is exposed to financial risks including credit risk, interest rate risk, foreign exchange risk and investment price risk. WHO uses derivative financial instruments to hedge some of its risk exposures. In accordance with WHO's Financial Regulations, funds not required for immediate use may be invested. All investments are carried out within the framework of investment policies approved by the WHO Director General. Some portfolios are managed by external managers appointed by WHO to manage funds in accordance with a defined mandate. The Advisory Investment Committee regularly reviews the investment policies, the investment performance and investment risk for each investment portfolio. The Committee is composed of external investment specialists who can make investment recommendations to the Director General.

Credit risk

Investments are widely diversified in order to limit credit risk exposure to any individual investment counterparty. Investments are placed with a wide range of counterparties using minimum credit quality limits and maximum exposure limits by counterparty established in investment mandates. These limits are applied both to the portfolios managed internally by WHO's Treasury Unit, and to the portfolios managed by external investment managers. The Treasury Unit monitors the total exposure to counterparties across all internally and externally managed portfolios.

Credit risk and liquidity risk associated with cash and cash equivalents are minimized by investing only in major financial institutions that have received strong investment grade ratings from primary credit rating agencies. The WHO Treasury Unit regularly reviews the credit ratings of the approved financial counterparties and takes prompt action whenever a credit rating is downgraded.

Interest rate risk

Unitaid is exposed to interest rate risk through its short-term and long-term fixed-income investments. The metric investment duration is a measure of sensitivity to changes in market interest rates, and the effective average duration of the Organization's investments as at 31 December 2024 was 0.8 years for short-term investments (excluding the bank deposits) and 6.4 years for long-term investments. An increase of 1% in the interest rate would cause a decrease of 0.8% in the value of the short-term investments (excluding bank deposits) and a decrease of 6.4% in the value of the long-term investments. The interest rates on short-term bank deposits are fixed at the time of investment; their values are not affected by any subsequent movement in interest rates.

Fixed-income derivative instruments may be used by external investment managers to manage interest rate risk under strict investment guidelines. Interest rate instruments of this type are used for portfolio duration management and for strategic interest rate curve positioning.

Foreign exchange currency risk

Unitaid receives voluntary contributions and makes payments in currencies other than the United States dollar and is thus exposed to foreign exchange currency risk arising from fluctuations in the currency exchange rates. Exchange rate gains and losses on the purchase and sale of currencies, revaluation of cash book balances, and all other exchange differences are adjusted against the funds and accounts eligible to receive interest under the interest apportionment programme. The goal of the foreign exchange hedging programmes is to provide a period of certainty for future exchange rates, delay the impact of significant exchange rate movements and provide time for budgets to be adjusted for those movements. The translation of transactions expressed in other currencies into the United States dollar is performed at the United Nations Operational Rates of Exchange (UNORE) prevailing at the date of transaction.

Assets and liabilities that are denominated in foreign currencies are translated at the UNORE year-end closing rate. Forward foreign exchange contracts are transacted to hedge foreign currency exposures and to manage short-term cash flows.

Realized and unrealized gains and losses resulting from the settlement and revaluation of foreign currency transactions are recognized in the Statement of Financial Performance (Statement II).

Funding risk

Unitaid's funding is dependent on a relatively small number of donors. Some of these commitments are made on a multi-annual basis, decreasing the funding risk overall but leaving the residual risk that the eventual cash receipts may not amount to the level of the original commitment.

Fiduciary risk

As a grant-making agency, one of the key risks to which Unitaid is exposed to is fiduciary risk. To mitigate this, Unitaid has developed a set of processes from the inception of approved projects to their closure to ensure that funds have been used for intended purposes, agreed results have been delivered in terms of quality and value for money, and risks of fraud, corruption and mismanagement are minimized. These include continuous assessment of grantee capacity, periodic programmatic and financial reporting, mid-term and end-of-project evaluations, as well as annual financial examinations.

5. Supporting information to the Statement of Financial Position

5.1. Cash and cash equivalents held by WHO

Unitaid's cash balances are held centrally by WHO and invested on behalf of Unitaid in accordance with WHO's rules and practices.

WHO centrally manages all cash and investments for WHO and non-consolidated entities such as Unitaid. All cash and investments held are reported in the WHO Financial Statements. They are held for meeting short-term cash requirements rather than for investment purposes. The balance includes cash and cash equivalents held in the portfolios managed by external investment manager.

WHO's main objectives for investments are the:

- preservation of capital;
- maintenance of sufficient liquidity to meet all payments of liabilities on time; and
- optimization of investment returns.

The Investment Policy reflects the nature of WHO's funds, which may either be held short-term, pending programme implementation, or longer-term to meet its long-term liabilities.

WHO cash and investments are co-mingled with those of the Staff Health Insurance (SHI) fund, UNAIDS, Unitaid and UNICC. WHO investments include term deposits which are managed by WHO Treasury directly, and bonds and other short-term fixed income and money market investments which are managed by high-quality approved international investment managers. For presentation purposes, the below split was reflected in Statement I. These are calculated by the WHO in applying the relative proportions of cash and cash equivalents, short-term investments and financial liabilities of the total figures to the inter-entity balances for the hosted entities.

As of 31 December 2024, funds managed by WHO were invested as follows:

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Cash and cash equivalents	69 791	41 846
Short-term investments	540 462	579 040
Financial liabilities held by WHO	(4 449)	(2 488)
Total cash and cash equivalents	605 804	618 398

Related interest is apportioned based on the average fund balance of WHO and the non-consolidated entities.

5.2. Financial asset for hedging

This financial asset is related to the recording of an unrealized gain in the prior year on the currency hedging program managed by WHO.

5.3. Contributions receivable – current and non-current

Contributions receivable relate to voluntary donor contributions for which firm commitment agreements have been received. Current receivables are expected to be received within one year from 31 December 2024.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
BMGF	2 500	7 500
Brazil	3 226	-
European Commission	5 176	-
France	92 592	92 592
Norway	1 815	-
Spain	4 167	-
Wellcome Trust	-	2 501
Hedging on AR	(6 264)	1 747
Total current contributions receivables	103 212	104 340

Non-current receivables are expected to be received more than one year from 31 December 2024.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
BMGF	25 000	22 500
European Commission	5 177	-
France	-	92 592
Spain	2 083	-
Hedging on AR	-	1 747
Total non-current contributions receivable	32 260	116 840

5.4. Staff receivables

In accordance with WHO's Staff Rules and Regulations, staff members are entitled to certain advances including those for salary, education, and travel.

The total balance of staff receivables amounts to US\$ 966 thousand as at 31 December 2024 (US\$ 767 thousand as at 31 December 2023) of which 74.5% relates to education grant advances made to staff for the 2025 portion of the 2024-2025 school year.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Education grant advance	720	714
Other ¹⁵	246	53
Total staff receivables	966	767

5.5. Other receivables

Following an aged analysis of receivables as at December 31, 2024, Unitaid classified its current receivables as other receivables, which are amounts not yet returned by the suppliers due to the absence of services.

5.6. Prepayments

Prepayments relate to amounts paid to suppliers for goods or services not yet received.

5.7. Guarantee deposit receivable

WHO, on behalf of Unitaid, entered into a sub-lease agreement with The Global Fund, upon the move to the Global Health Campus on 17 August 2018. A security deposit equivalent to six months' rent was also deposited at Credit Suisse as per the agreement with the Global Fund. The rental guarantee can be released only upon the agreement of both the tenant and the lessor. In the absence of a court action brought by the lessor against the tenant within one year from the date on which the tenant has released the premises covered by the guarantee, the deposit will be liberated in full.

¹⁵ Includes SLIC (sick leave under insurance cover) refund, salary, travel, other advances.

5.8. Promissory notes receivable

In accordance with Amendments No.4, 2018, No.5, 2019, No.6, 2022, No.7, 2023 and No. 9, 2024 to the Donor Administrative Agreement with the United Kingdom (covering the 2018-2020, 2022 and 2023 periods respectively), contributions are to be deposited as promissory notes into DFID's 'securities account' at the Bank of England (held in custody by the WHO) following payment requests by Unitaid according to commitment need. These notes are due on demand; Notes 5, 6 and 7 totalling US\$ 78.8 million are currently receivable and Note 8 for US\$ 17.6 million is a non-current receivable according to FCDO policy. Encashment of these notes is in accordance with Unitaid's liquidity policy.

As per Unitaid's Foreign Exchange Risk Mitigation Policy, all of the promissory notes on deposit at the Bank of England in Pound Sterling are being hedged by WHO treasury.

5.9. Accounts payable

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Financial liability for hedging	-	1 471
Supplier payable	1 147	2 190
Other payable	28	1
Total accounts payable	1 175	3 662

The financial liability for hedging is related to the recording of the unrealized loss on the currency hedging program managed by WHO.

Supplier payable represents the total amounts outstanding to suppliers of goods and services at the end of the period for goods and services received and invoiced during the period, as well as disbursements owing to grantees.

5.10. Staff payables

Staff payables consist of amounts owed to staff for reasons such as clearance activities upon repatriation, retroactive pay owing and claims.

5.11. Accrued staff benefits

Accrued staff benefits include terminal payments, staff health insurance, liabilities due to service-incurred death or disability (Special Fund for Compensation) and pension liability.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Accrued staff benefits - current		
Accrued annual leave	1 199	1 194
Terminal Payments	191	248
Special Fund for Compensation	2	1
Pension Liability	10	15
Total accrued staff benefits - current	1 402	1 458
Accrued staff benefits - non-current		
Terminal Payments	1 715	1 511
Special Fund for Compensation	105	95
After Service Health Insurance	11 110	6 768
Total accrued staff benefits - non-current	12 930	8 374

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Accrued staff benefits		
Accrued annual leave	1 199	1 194
Terminal Payments	1 906	1 759
Special Fund for Compensation	107	96
After Service Health Insurance	11 110	6 768
Pension Liability	10	15
Total accrued staff benefits	14 332	9 832

Terminal payments

The Terminal Payments Fund was established to finance the terminal emoluments of staff members, including repatriation grants, accrued annual leave, repatriation travel and removal on repatriation. The Terminal Payments Fund is funded by a charge made to salary.

Liabilities arising from repatriation benefits and annual leave are determined by independent consulting actuaries. However, the accrued leave is calculated on a walk-away basis – that is, as if all staff separated immediately – and, therefore, is not discounted. These liabilities (both current and non-current) would be satisfied through the use of cash and cash equivalents held at WHO should the need arise.

The latest actuarial study (as at 31 December 2024) estimated the full terminal payment liability to be US\$ 3.105 million compared to US\$ 2.900 million as at 31 December 2023. This calculation did not include costs for the end-of-service grant and for separation by mutual agreement on abolishment of posts. The defined benefit obligation amounted to US\$ 1.882 million (short-term liability, US\$ 0.168 million; long-term liability, US\$ 1.715 million) compared to US\$ 1.682 million as at 31 December 2023 for terminal entitlements, and US\$ 1.223 million (US\$ 1.217 million as at 31 December 2023) for annual leave which is included in the terminal payments current balance.

Staff Health Insurance (SHI)

The WHO manages its own health insurance scheme as a separate entity. The Staff Health Insurance has its own governance structure and provides for the reimbursement of a major portion of expenses for medically recognized health care incurred by staff members, retired staff members and their eligible family members. The Staff Health Insurance is financed from the contributions made by the participants (1/3) and the Organization (2/3) and from investment income.

The Organization accounts for after-service staff health insurance as a post-employment benefit. Actuarial gains and losses are recognized in the net assets / equity in accordance with IPSAS 39 (Employee Benefits).

Professional actuaries determined the 2024 defined benefit obligation for the Staff Health Insurance based on personnel data and payment experience provided by Unitaïd/WHO. As at 31 December 2024, the defined benefit obligation amounted to US\$ 24.3 million (US\$ 18.3 million in 2023).

Further details on the Staff Health Insurance liability can be found in the annual report of the Staff Health Insurance scheme.

Special Fund for Compensation (SFFC)

In the event of a death or disablement attributable to the performance of official duties of an eligible staff member, the Special Fund for Compensation covers all reasonable medical, hospital, and other directly related costs, as well as funeral expenses. In addition, the Fund will provide compensation to the disabled staff member (for the duration of the disability) or to the surviving family members.

Unitaid accounts for the Special Fund for Compensation as a post-employment benefit. Actuarial gains and losses are recognized in the net assets / equity in accordance with IPSAS 39 (Employee Benefits).

As per the actuarial study, the total liability was US\$ 106 thousand at 31 December 2024 (US\$ 96 thousand as at 31 December 2023).

Actuarial summary of terminal payments, SHI and the SFFC (US\$ thousands)

Description	Terminal Payments (other than accrued leave)	Staff Health Insurance	Special Fund for Compensation
Reconciliation of Defined Benefit Obligation (DBO)			
Defined Benefit Obligation as at 31 December 2023	1 682	18 333	96
Service cost	209	1 062	13
Interest cost	85	412	4
Actual gross benefit payments for 2024	(164)	(33)	-
Actual administrative expenses	-	(2)	-
Actual contributions by participants	-	10	-
Plan amendments	-	-	-
(Gain)/Loss on DBO due to financial assumption changes	(75)	4 285	(7)
(Gain)/Loss on DBO due to other assumption changes	145	198	-
Other (Gain)/Loss on Defined Benefit Obligation	-	-	-
Defined Benefit Obligation as at 31 December 2024	1 882	24 264	106
Reconciliation of Assets			
Assets as at 31 December 2023 (gross of IBNP reserve)		12 043	-
Actual gross benefit payments for 2024	(164)	(1 860)	-
Actual administrative expenses	-	(114)	-
Participant Contributions during 2024	-	770	-
Organization Contributions during 2024	164	1 522	-
Net transfer to cover WHO-PAHO/PAHO deficit for 2024	-	-	-
Interest on Net SHI Assets for 2024	-	261	-
Asset Gain (Loss)	-	1 189	-
Assets as at 31 December 2024	-	13 812	-
Reconciliation of Incurred-But-Not-Paid Reserve			
Incurred-But-Not-Paid Reserve at 31-12-2023	-	478	-
Interest On Incurred-but-Not-Paid Reserve for 2024	-	11	-
(Gain)/Loss on Incurred-But-Not-Paid Reserve	-	169	-
Incurred-But-Not-Paid Reserve at 31 December 2024	-	658	-
Net Assets on WHO-Geneva's Books (Gross Assets Minus IBNP Reserve at 31 December 2024)	-	13 154	-
Reconciliation of Funded Status			
Defined benefit obligation			
Active	1 882	22 165	106
Inactive	-	2 099	-
Incurred-But-Not-Paid Reserve	-	658	-
Total defined benefit obligation	1 882	24 922	106
Plan Assets			
Gross plan assets	-	(13 812)	-
Offset for 470.1 Reserve	-	658	-
Total plan assets	-	(13 812)	-
Deficit (Surplus)	1 882	11 110	106
Net Liability (Asset) Recognized in Statement of Financial Position	1 882	11 110	106
Current	168	-	1
Non-current	1 714	11 110	105
Net Liability (Asset) Recognized in Statement of Financial Position	1 882	11 110	106
Annual expense for 2024			
Service cost	209	1 062	12
Interest cost	85	161	4
Remeasurements	70	-	-
Past Service (Credit)/Cost	-	-	-
Total Expense Recognized in Statement of Financial Performance	364	1 223	16

Actuarial Gain recognised in Net Assets/Equity	3 463	(7)
Sensitivity analysis - US\$ thousands		
31 December 2023 defined benefit obligation		
Current medical inflation assumption minus 1%	17 737	
Current medical inflation assumption	24 264	
Current medical inflation assumption plus 1%	33 456	
Current discount rate assumption minus 1%	2 036	132
Current discount rate assumption	3 198	106
Current discount rate assumption plus 1%	3 044	87

Actuarial methods and assumptions

Each year the Organization identifies and selects assumptions and methods that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for the Organization's employee benefits. Actuarial assumptions are required to be disclosed in the financial statements in accordance with IPSAS 39 (Employee Benefits). In addition, each actuarial assumption is required to be disclosed in absolute terms.

In 2022, the organization performed a full valuation to estimate the liabilities. Normally, a full evaluation is done every three years.

All plans:	31 December 2024
Discount rate	
Terminal payments (other than accrued leave):	The weighted-average discount rate used is 5.5% (increase from 4.9% in prior valuation). Based on a yield curve approach that reflects the expected cash flows with weights of 100% on the Aon USD AA Above Median curve. The resulting discount rate is rounded to the nearest 0.1%.
Staff Health Insurance:	Europe, 1.1% (decrease from 2% in prior valuation); the Americas, 5.9% (increase from 5.1% in prior valuation); Other Countries, 5.0% (increase from 4.8% in prior valuation). Specifically, the rate for Europe is a weighted average of the equivalent rates for Switzerland (0.8%) and the Euro Zone (3.4%), and 5.9% for the United States with the result rounded to the nearest 0.1%. Discount rates are based on the yields of high-grade corporate bonds. WHO uses a yield curve approach, which reflects the expected cash flows and assumed currency exposure—specific to the ASHI—for each grouping of offices. The liability is assumed to be incurred in Swiss francs, euros, and United States dollars, based on the approximate liability mix for each grouping of offices and the following yield curves. These curves were recommended by the United Nations for use in its retiree medical valuations, based on consultations with Aon: Switzerland—Aon Hewitt Swiss AA Corp. (excl. Regional) Yield curve, Euro Zone—Aon Hewitt AA Corp. Yield curve, and the United States—Aon AA Above Median curve. The discount rates for the 31 December 2024 valuation are based on the geographic locations of the offices, as described in the section below entitled Regional groupings for all purposes except claims costs. The resulting rate is rounded to the nearest 0.1%.
Special Fund for Compensation:	The weighted-average discount rate used is 3.7% (increase from 3.5% in prior valuation). Based on a yield curve approach that reflects the expected cash flows with weights of 25% on the Aon USD AA Above Median curve, 15% on the Aon Hewitt Swiss AA Corp. (Excl. Regional) Yield curve and 60% on the Aon Hewitt EUR AA Corp. Yield curve. The resulting discount rate is rounded to the nearest 0.1%.
Accident and Illness Insurance:	The weighted-average discount rate used is 2.0% (decrease from 2.4% in prior valuation). Based on a yield curve approach that reflects the expected cash flows with weights of 30% on the Aon USD AA Above Median curve and 70%

on the Aon Hewitt Swiss AA Corp. (Excl. Regional) Yield curve. The resulting discount rate is rounded to the nearest 0.1%.

Annual general inflation

Terminal payments (other than accrued leave):	The weighted-average inflation rate used is 2.3%. The regional weightings used are 100% on United States rate. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.
Staff Health Insurance:	Europe 1.2%, the Americas 2.5%, and Other Countries 2.4%. The rates are based on the United Nations common assumptions (for long-duration plans) as directed by the United Nations System Task Force on Accounting Standards. Specifically, the rate for Europe is a weighted average of the rates for Switzerland (1.0%) and the Euro Zone (2.1%), and 2.5% for the United States with the result rounded to the nearest 0.1%.
	The currency weightings for each claims region are assumed to be the same currency weightings for offices located in those regions. The currency weightings used are as follows: for Europe, 80% Swiss francs, 5% United States dollars and 15% euros; for the Americas, 100% United States dollars; and for Other Countries, 90% United States dollars, 5% Swiss francs and 5% euros.
Special Fund for Compensation:	The weighted-average inflation rate used is 2.05%. The regional weightings used are 15% on Swiss, 60% Euro Zone and 25% on United States rate. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.
Accident and Illness Insurance:	The weighted-average inflation rate used is 1.4%. The regional weightings used are 70% on Swiss and 30% on United States rate. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.

Annual salary scale

All plans:	General inflation, plus 0.5% for productivity growth, plus merit/promotion increases.
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Regional groupings for all purposes except claims costs

Terminal payments (other than accrued leave):	Not applicable
Staff Health Insurance:	Based on: the Regional Office for Europe and headquarters, which are grouped as Europe; the Regional Office for the Americas, which constitutes the Americas; and the African Region, the Eastern Mediterranean Region, the South-East Asia Region, and the Western Pacific Region, which are grouped as Other Countries.
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

Repatriation travel and removal on repatriation

Terminal payments (other than accrued leave):	Calculated using the projected unit credit method with service prorated, and an attribution period from the entry on duty date to separation. A 2% increase is applied for incurred but not paid benefits.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

Repatriation grant, termination indemnity, and grant in case of death

Terminal payments (other than accrued leave):	Using the projected unit credit method with accrual rate proration. A 2% increase is applied for incurred but not paid benefits.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

Accrued leave

Terminal payments (other than accrued leave):	The liability is set equal to the walk-away liability – that is, as if all staff separated immediately. Plus 2% increase is applied for incurred but not paid benefits.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable
Abolition of post, end-of-service grant, and separation by mutual agreement	
Terminal payments (other than accrued leave):	These benefits are considered termination benefits under IPSAS 39 (Employee Benefits) and, therefore, are excluded from the valuation.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

United Nations Joint Staff Pension Fund

Unitaid as part of the World Health Organization is a member organization participating in the United Nations Joint Staff Pension Fund (the “Fund”), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund collectively exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. WHO and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WHO’s proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, WHO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). WHO’s contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

The Fund’s Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities into perpetuity. The Fund’s published funding policy (available on the Fund’s website) sets out the methods, processes and targets that are used to monitor the funding position and associated risks. This also includes the practice of utilizing an actuarial value of assets, which smooths short-term investment gains and losses for the purpose of reporting long-term solvency.

WHO’s financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the

Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

The latest actuarial valuation for the Fund was completed as at 31 December 2023, and a roll forward of the participation data as of 31 December 2023 to 31 December 2024 will be used by the Fund for the purpose of reporting an actuarial present value of accumulated plan benefits in its 2024 financial statements.

The actuarial valuation as at 31 December 2023 reported a funded ratio of actuarial assets to actuarial liabilities of 111% (117% in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0 (158.2% in the 2021 valuation) when the current system of pension adjustments was not taken into account and would be the measure by which actuarial sufficiency is established under Article 26.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2023, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2021, 2022 and 2023) amounted to US\$ 9 499.41 million, of which 0.2% was contributed by Unitaid.

During 2024, contributions paid by Unitaid to the Fund amounted to US\$ 5.3 million (2023 US\$ 4.8 million). Expected contributions due in 2025 are approximately US\$ 5.8 million.

Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund provides weekly information on its investments, and it can be viewed by visiting the Fund at www.unjspf.org.

5.12. Accrued liabilities

Accrued liabilities consist of expenses that have been incurred during 2024 but remain to be paid. As of 27 February 2025, US\$ 336 thousand of the accrued liabilities has been paid.

5.13. Deferred revenue

Deferred revenue on voluntary contributions represents multi-year agreements signed in 2024 or prior years but for which the revenue recognition has been deferred to future financial periods. The balance on voluntary contributions is split into current and non-current deferred revenue, depending on when the funds are available to the Organization to spend.

6. Supporting information to the Statement of Financial Performance

Revenue

6.1. Voluntary contributions (core, specified and ACT-A contributions)

Voluntary contributions consist of funding from core donors which include proceeds from the solidarity tax levied on air-tickets in several countries supporting Unitaid (most notably France), budgetary contributions from countries and grants from the Bill and Melinda Gates Foundation.

Specified contributions are resources received by Unitaid subject to conditions specifying the area of Unitaid's work for which they can be used, to which Unitaid charges a de minimus rate of 7% for Overhead Recovery Cost to cover any resulting transactional and operating costs.

In 2024, US\$ 2 004 283 was received by Unitaid from the European Commission as pass through funding to UNFPA.

Refer to Schedule III for information on voluntary contributions received since 2006.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
<i>Contributions from core donors:</i>		
Bill & Melinda Gates Foundation	2 500	30 000
Brazil	2 013	2 568
Chile	700	700
France	92 593	92 593
Japan ¹⁶	435	-
Norway	1 854	1 964
Portugal	-	270
Republic of Korea	4 974	4 973
Spain	3 158	-
United Kingdom	17 588	17 880
Total contributions from core donors	125 815	150 949
<i>Specified contributions:</i>		
Bill & Melinda Gates Foundation	756	-
Brazil	1 213	-
Canada	-	18 436
European Commission	4 030	-
Japan	7 299	-
Republic of Korea	17 000	10 000
WHO Foundation	-	125
Total specified contributions	30 298	28 561
Total voluntary contributions	156 113	179 510

¹⁶ The contribution from Japan of US\$ 434,694 recorded as part of 2022 revenue was committed for the 2023 financial year.

6.2. In-kind / in-service contributions

There were no in-kind contributions to Unitaid in 2024.

Expenses

6.3. Disbursements to grantees

Unitaid makes disbursements to grantees for projects which have been approved by the Unitaid Executive Board in accordance with grant agreements and the policy on cash disbursements to grantees.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Disbursements to grantees	152 689	160 251
Disbursements to grantees - PPF	1 022	426
Return of funds	(13 852)	(1 148)
Total Projects	139 859	159 529

The Project Preparation Facility (PPF) allocates funds to proponents in need of funding for effective grant development. Return of funds consists of amounts returned by grantees for unspent funds remaining upon grant closure. Disbursements to grantees for 2024 as compared to 2023 are broken down by area as follows:

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
HIV and Co-infections	46 692	46 442
TB	19 151	33 743
Malaria	23 346	25 444
Cross-cutting	41 840	39 635
Women and Children's Health	12 546	4 889
Global Health Emergencies	(3 823)	9 276
Strategic Initiatives	107	100
Total Projects	139 859	159 529

6.4. Constituency funding

Constituency funding includes those amounts granted to support two civil society networks (nongovernmental organizations and communities living with HIV/AIDS, malaria and tuberculosis) and the representative of African countries designated by the African Union; all three sit on the Executive Board and have representation on the Committees. The activities funded are for a Communication Focal Point/Liaison Officer, consultation activities, and travel relating to effective representation of issues and concerns at the Executive Board, the Committees and other Unitaid meetings. The Board approves these grants as part of the yearly Governing Bodies budget and authorizes the Executive Director to sign any necessary funding agreements with the organizations designated to receive and administer funds by each of the delegations.

6.5. Staff and other personnel costs

Staff and other personnel costs represent the total cost of employing staff. These include charges for base salary, post adjustment and other types of entitlements paid or payable by Unitaid. Staff costs also include the movement in the actuarial calculations for accrued staff benefits which is recognized in the Statement of Financial Performance (Statement II).

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Salary costs	26 510	23 394
Actuarial costs	879	371
Other personnel costs	(551)	149
Total staff and other personnel costs	26 838	23 914

6.6. Contractual services

Contractual services represent payments made to service providers for specified deliverables as well as the cost of hosting services paid by Unitaid to WHO.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Contractual services	3 779	4 662
Contractual services provided by WHO	2 988	1 979
Total consulting and contractual services	6 767	6 641

A breakdown of the cost of hosting services paid to WHO, audit and internal control services is as follows:

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Administrative services	2 754	1 789
Legal services	183	155
Audit	51	35
Total contractual services provided by WHO	2 988	1 979

The amount paid to WHO for administrative services is calculated according to the Generic Hosting Terms for WHO Hosted Partnerships.

6.7. Travel

Travel represents the cost of travel for Unitaid staff, non-staff participants in meetings and consultants paid by Unitaid. Travel expenses include airfare, per diem and other travel-related costs. This amount does not include the statutory travel for home leave and education grant that is accounted for within staff and other personnel costs.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Total travel	1 213	1 093

6.8. Equipment and furniture

Total expenses for 2024 were US\$ 77 thousand (US\$ 17 thousand for 2023). Purchases of equipment and furniture are fully expensed at cost value in the financial period in which they were acquired if the value of every individual purchased item does not exceed a capitalization threshold of US\$ 5 000. As at 31 December 2024 no equipment or furniture purchases reached the threshold.

6.9. General operating expenses

General operating expenses reflect the cost of general operations of Unitaid. This includes utilities, telecommunications (fixed telephones, mobile phones, internet, and teleconference expenses), hospitality and courtesy expenditures, as well as rent.

Unitaid sub-leases office space outside of the WHO campus. Obligations through the life of the sub-lease can be found at Note 10.

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
General operating expenditures	382	330
Rent	1 263	1 239
Total general operating expenditures	1 645	1 569

6.10. Finance revenue

Finance revenue includes the following:

<i>in thousands of US dollars</i>	31-Dec-24	31-Dec-23
Investment revenue	26 051	29 405
Net realized foreign exchange gains or (losses)	2 982	(16 237)
Net unrealized foreign exchange gains or (losses)	(2 165)	22 629
Actuarial revaluation gains or (losses) on Terminal Payments Fund	(70)	(40)
Actuarial interest cost related to valuation of Terminal Payments Fund and Special Fund for Compensation	(89)	(86)
Total financial revenue and costs	26 709	35 671

Investment revenue includes an interest allocation calculated on monthly average cash balances held by WHO in trust for Unitaid, which for 2024 amounted to US\$ 26.1 million. Net interest received is made available for allocation to Unitaid projects and/or Secretariat expenses.

The realized foreign exchange gain/(loss) is made up of gains upon actual receipt of multi-year contributions that have been entered into the hedging program of WHO, as well as realized foreign exchange gains/(losses) on non-US\$ currency payables throughout the financial year.

The unrealized foreign exchange gain/(loss) is the net unrealized foreign exchange gain/(loss) calculated at 31 December 2024 for hedged contributions not yet received and amounts payable in non-US\$ currency. The below table includes data for hedging contracts which are transacted by WHO on behalf of Unitaid.

<i>in thousands of US dollars</i>		
Currency forward sold	Currency forward bought	Net unrealized gain/(loss) as at 31.12.2024
Euro	91 000	5 108
Norwegian Kroner	20 000	58
Pound sterling	75 000	727
Total		5 893

Interest earned by grantees on the available cash balances provided by Unitaid is not directly reflected in the financial statements of Unitaid. The grantees are required to manage the interest earned on the available cash balances according to the “Policy of interest income earned by grantees on funds provided by Unitaid”, approved by the Unitaid Executive Board in its 14th session in July 2011. Grantees report back to the Secretariat on the interest earned on disbursements received from Unitaid as part of Other project income, which as per 2024 mid-term progress reports made US\$ 633 333 as of 30 June 2024.

7. Supporting information to the Statement of Comparison of Changes in Net Assets/Equity

Net assets as at 31 December 2024 total US\$ 693.0 million. The projected balance of funds to be paid against approved grant agreements is an estimated US\$ 306.3 million as detailed in Note 10.

8. Supporting information to the Statement of Comparison of Budget and Actual Amounts

In November 2023, at EB43, the Unitaid Executive Board adopted resolution n°6 approving an operating budget of US\$ 31.9 million for the 2024 calendar year. They also approved additional amounts relating to the years 2022 (US\$ 40 thousand) and 2023 (US\$ 62 thousand) for the constituencies. In 2024 the notable difference of the budget to actuals (those greater than 10%) for governing bodies activities are due to additional travel and event costs for an Executive Board site visit to Kenya in February as well as the December Executive Board meeting being held outside of Geneva in South Africa.

Financial performance for the year and a detailed explanation of the budget variances are presented at the Financial Accounting Committee meeting in April-May of the following year.

9. Related parties and other senior management disclosures

a) Key management personnel

Staff members considered as key management personnel (KMP) include the Executive Director, the Deputy Executive Director, and the Senior Management Team (Communications, Finance and Administration, Legal, Programme, Results, and Strategy).

Number of individuals	Compensation & post adjustment	Entitlements	Pension & health plans	Total remuneration to 31-Dec-24
8	1 887	216	559	2 662

The aggregate remuneration paid to KMP includes net salaries, post adjustment, entitlements, assignment and other grants, rental subsidy, personal effects shipment costs, and employer pension and current health insurance contributions.

KMP also qualify for post-employment benefits at the same level as other employees. These benefits cannot be reliably quantified. KMP are enrolled as ordinary members in the WHO pension plan managed by the UNJSPF.

During the year, no loans were granted to key management personnel beyond those widely available to staff outside this grouping.

b) Medicines Patent Pool Foundation

The Medicines Patent Pool Foundation (MPPF) is an independent non-profit Swiss foundation established to improve health by providing patients in low- and middle-income countries with increased access to quality, safe, efficacious, more appropriate and affordable health products, through a voluntary patent pool mechanism, initially in the area of antiretroviral pharmaceutical products, pediatric antiretroviral products and new fixed dose combinations.

MPPF was founded in July 2010. Unitaid signed an agreement with MPPF on 17 September 2010 to facilitate the work of the Foundation. The total funding support for 2010-2015 approved by the Board is US\$ 31.2 million (of which US\$ 22.6 million was disbursed) with an additional US\$ 29.2 million approved for the 2016-2020 period at the December 2016 Executive Board meeting (of which US\$ 28.7 million was disbursed), as well as US\$ 34.3 million for 2021-2025 period approved in November 2020 (of which US\$ 33.7million was disbursed). As at 31 December 2024 the total amount disbursed to MPPF from Unitaid is US\$ 84.5 million.

Although Unitaid does not have representation on the Board of MPPF, it attends its meetings as an Observer.

10. Commitments

As at 31 December 2024, the active grant portfolio was US\$ 1.5 billion with cumulative disbursements against these commitments totaling US\$ 1.2 billion. The value of future disbursements to active grants and the funding approved for new projects by the EB at December 2024 is estimated at US\$ 306.3 million as detailed below.

<i>in thousands of US dollars</i>	2024	2023
2024	-	161 784
2025	146 019	86 275
2026	64 029	40 105
2027	25 847	19 096
2028	393	
Committed funds on closing projects/reserve	69 983	62 117
Total commitments	306 271	369 377

In May 2018, Unitaid signed a ten-year lease agreement with the Global Fund for renting office space at the Global Health Campus. After an amendment of the rent agreement on 1 December 2021 the future annual lease rental payments total to CHF 1 025 thousand (US\$ 1 120 thousand) and are as follows:

- Rent (including parking) – CHF 594 thousand (US\$ 649 thousand),
- Estimated shared services – CHF 431 thousand (US\$ 471 thousand).

The Chair of the Executive Board has a separate approved budget, which includes rent paid for her offices at UNESCO in Paris through a lease agreement held by Unitaid. The lease payment for 2025 amounts to EUR 47.7 thousand and expires on 31 December 2025.

11. Future revenue

At 31 December 2024 Unitaid holds the following multi-year agreements:

- A three-year agreement with France for 2023-2025 of EUR 85 million per year.
- A five-year agreement with the Gates Foundation for 2023-2027 of US\$ 60 million (US\$ 30 million in 2023, US\$ 2.5 million in both 2024 and 2025, US\$ 10 million in 2026 and US\$ 15 million in 2027).
- A two-year agreement with Norway for 2024-2025 for NOK 20 million per year.
- A three-year agreement with Spain for 2024-2026 for EUR 2 million per year.
- A three-year agreement with the European Commission for 2024-2027 of a total US\$ 21.7million including US\$ 7.3 million pass-through funds to UNFPA.

12. Contingent liabilities and assets

a) Contingent liabilities

Unitaid recognizes a provision for all present obligations for which a probable outflow of resources will be required to settle the obligation and for which the value of the obligation can be reasonably estimated. These provisions are recorded as an expense in the period in which they occur, and a corresponding liability is established.

Contingent liabilities however relate to potential future outflows which do not meet the criteria of a provision (i.e. they are not probable or cannot be reasonably estimated). If a contingent liability is not considered remote it should be disclosed in the notes to the Financial Statements.

As at 31 December 2024, there are no material contingent liabilities to disclose.

b) Contingent assets

In accordance with IPSAS 19 (Provisions, Contingent Liabilities and Contingent Assets), contingent assets will be disclosed for cases where an event will give rise to a probable inflow of economic benefits. As at 31 December 2024, there are no material contingent assets to disclose.

13. Events after reporting date

On 20 January 2025, subsequent to the reporting date, the United States of America, the largest donor to the WHO (the hosting agency of Unitaid), has formally noticed its withdrawal as from the WHO, issued 'stop work orders' and 'terminated' ongoing voluntary contribution grants.

As Unitaid receives neither core nor specified funding from the USA, nor has any balances owed by the USA, this event has no impact on the Financial Statements of Unitaid.

Schedule I. Annual Financial Position

As at 31 December for the current and previous four years (in thousands of US dollars)

	2024	2023	2022	2021 (reclassified)	2020 (reclassified)
ASSETS					
Current assets					
Cash and cash equivalents held by WHO	69 791	41 846	44 865	32 340	99 202
Short-term investments	540 462	579 040	512 868	436 631	420 162
Short-term assets held by WHO	5 893	613	-	3 513	
Contributions receivable - current	103 212	104 340	3 101	127 056	115 062
Staff receivables	966	767	637	619	508
Other receivables	8	7	-	33	140
Prepayments	306	25	11	16	8
Promissory notes receivable	78 786	60 026	79 195	95 687	
Total current assets	799 424	786 664	640 677	695 896	635 082
Non-current assets					
Contributions receivable – non-current	32 260	116 840	-	-	104 294
Promissory notes receivable	17 588	17 880	56 785	133 424	348 649
Guarantee deposit receivable	602	650	588	593	614
Total non-current assets	50 450	135 370	57 373	134 017	453 557
TOTAL ASSETS	849 874	922 034	698 050	829 913	1 088 639

Schedule I. Annual Financial Position (continued)

As at 31 December for the current and previous four years (in thousands of US dollars)

	2024	2023	2022	2021 (reclassified)	2020 (reclassified)
LIABILITIES					
Current liabilities					
Financial liabilities held by WHO	4 449	2 488	7 192	3 406	19 912
Accounts payable	1 175	3 662	11 588	19 953	7 514
Staff payables	10	49	26	12	8
Accrued staff benefits - current	1 402	1 458	1 627	1 459	1 310
Accrued liabilities	501	217	1 190	6 467	425
Deferred revenue - current	104 167	100 092	-	116 980	93 509
Total current liabilities	111 704	107 966	21 623	148 277	122 678
Non-current liabilities					
Accrued staff benefits – non-current	12 930	8 374	8 412	21 848	27 873
Deferred revenue - non-current	32 260	115 093	-	-	93 509
Total non-current liabilities	45 190	123 467	8 412	21 848	121 382
TOTAL LIABILITIES	156 894	231 433	30 035	170 125	244 060
NET ASSETS					
Fund balance	692 980	690 601	668 015	659 788	844 579
TOTAL NET ASSETS	692 980	690 601	668 015	659 788	844 579
TOTAL LIABILITIES AND NET ASSETS	849 874	922 034	698 050	829 913	1 088 639

Schedule II. Annual Financial Performance

For the period ended 31 December for the current and previous four years (in thousands of US dollars)

	2024	2023	2022	2021	2020
OPERATING REVENUE					
Voluntary contributions	156 113	179 510	180 350	193 591	224 738
In-kind contributions	0	140	162	52	640
TOTAL OPERATING REVENUE	156 113	179 650	180 512	193 643	225 378
OPERATING EXPENSES					
Disbursements to grantees	139 859	159 529	155 458	330 784	228 494
Constituency funding	642	602	368	215	227
Staff and other personnel costs	26 838	23 914	24 904	23 653	25 159
Contractual Services	6 767	6 641	8 159	6 692	5 314
Travel	1 213	1 093	576	46	268
Equipment and furniture	77	17	79	82	71
General operating expenses	1 645	1 569	1 315	1 456	1 207
TOTAL OPERATING EXPENSES	177 041	193 365	190 859	362 928	260 740
Finance revenue	26 709	35 671	3 442	(23 768)	33 051
TOTAL SURPLUS/(DEFICIT)	5 781	21 956	(6 905)	(193 053)	(2 311)

Schedule III. Operating Revenue – Voluntary Contributions

Cumulative as at 31 December 2024 (in thousands of US dollars)

	2006 -2024	2024	2023	2022	2021	2020	2006-2019
<i>Core donors:</i>							
Brazil	135 285	2 013	2 569	2 221	2 408	4 031	124 043
Chile	37 943	700	700	-	-	-	36 543
France	2 366 730	92 593	92 593	93 509	93 509	93 509	1 901 017
Gates Foundation	182 500	2 500	30 000	-	10 000	10 000	130 000
Japan ¹⁷	2 870	435	-	435	-	1 000	1 000
Norway	202 390	1 854	1 964	2 004	1 099	2 942	192 526
Portugal	323		270	53	-	-	-
Republic of Korea ¹⁸	88 948	4 974	4 973	10 000	-	5 000	64 000
Spain	88 853	3 158	-	-	1 703	1 792	82 200
United Kingdom	882 714	17 588	17 800	16 847	-	44 059	786 339
Other donors ¹⁹	23 488	-	-	-	-	-	23 488
Total core-donor contributions	4 012 041	125 815	150 949	125 069	108 719	160 333	3 341 156
	2006 -2024	2024	2023	2022	2021	2020	2006-2019
<i>Other contributions:</i>							
The Global Fund	33 000	-	-	-		11 851	21 149
UNOSSC	89	-	-	-		-	89
Total other contributions	33 089	-	-	-		11 851	21 244
Total core and non-core contributions	4 045 130	-	150 949	125 069	108 719	172 184	3 362 157

¹⁷ The contribution from Japan of US\$ 434,694 recorded as part of 2022 revenue was committed for the 2023 financial year.

¹⁸ 2023 amount is the USD equivalent of the KRW 6.45 billion contribution.

¹⁹ Other donors include Cameroon, Congo, Cyprus, Guinea, Luxembourg, Madagascar, Mali, Mauritius, the Millennium Foundation and Niger.

Schedule III. Operating Revenue – Voluntary Contributions (continued)

Cumulative as at 31 December 2024 (in thousands of US dollars)

	2006 -2024	2024	2023	2022	2021	2020	2006-2019
<i>ACT-A contributions:</i>							
Canada	27 516	-	-	15 649	11 867	-	-
France	46 885	-	-	23 310	11 628	11 948	-
Germany	39 332	-	-	15 912	23 420	-	-
Italy	1 135	-	-	-	1 135	-	-
Japan	9 347	-	-	410	8 937	-	-
Norway	55 079	-	-	-	15 473	39 606	-
Portugal	142	-	-	-	142	-	-
Republic of Korea	1 000	-	-	-	-	1 000	-
Spain	2 270	-	-	-	2 270	-	-
Wellcome Trust	10 000	-	-	-	10 000	-	-
Total ACT-A contributions	192 707	-	-	55 281	84 872	52 554	-
<i>Specified contributions:</i>							
Bill & Melinda Gates Foundation	756	756	-	-	-	-	-
Brazil	1 213	1 213	-	-	-	-	-
Canada	18 437	-	18 437	-	-	-	-
European Commission	4 030	4 030	-	-	-	-	-
Japan	7 299	7 299	-	-	-	-	-
Republic of Korea	27 000	17 000	10 000	-	-	-	-
WHO Foundation	125	-	125	-	-	-	-
Total specified contributions	58 860	30 298	28 562	-	-	-	-
Total voluntary contributions	4 296 698	156 113	179 510	180 350	193 591	224 738	3 362 157