

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2016**

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## Report of the Executive Director

I am pleased to present the Unitaid Financial Statements for the year ended December 31, 2016.

Unitaid finds ways to prevent, treat and diagnose HIV/AIDS, tuberculosis and malaria more affordably, effectively and quickly. It turns game-changing ideas into practical solutions to accelerate the end of the three diseases. Unitaid has invested over US\$2 billion since 2006 in promising health solutions, so that partner organizations can then scale up these solutions and make them widely available.

The Sustainable Development Goals for 2030 signalled a major shift towards a broader agenda on development and health that explicitly sets out to reduce inequities among populations and promotes health as a fundamental human right.

2016 was a tough but highly rewarding year in which we have achieved an extraordinary amount in a very short space of time. The ambitious changes that we have put in place over the past two years have been put through their paces in 2016 as we developed and launched grants, hired talented new staff and forged a strategy that sets us on a clear path for the future.

Anyone visiting Unitaid today after an absence of a year or two would find it hard to believe that they were dealing with the same entity. We are in every sense an organization transformed.

We had our first formal grant launch of the year in February, with the signing of a grant with IVCC to boost the use of new antimalarial insecticides. Other grant-signings quickly followed.

Over the course of the year, 12 grants were approved by our Board under the new operating model, with a combined value of US\$206 million. We also launched calls for proposals in malaria and pregnancy, for scaling up paediatric TB and expanding access to latent TB.

All of this was the result of a remarkable effort by all our teams. It is not just the sheer number of new grant launches that is impressive. The scope and range of our activity straddling the three diseases stands out, whether we are promoting a new generation of less toxic HIV treatment regimens, prising open the market for diagnostics for hepatitis C or scaling up pre-exposure prophylaxis for HIV.

In recognition of Unitaid's unique role, health ministers from more than 30 countries attended an event in Geneva on the eve of the World Health Assembly in May to celebrate the first 10 years of Unitaid's existence. And in June, there was a changing of the guard in our Board leadership when we bade farewell to our founding Chair Philippe Douste-Blazy and welcomed his successor, Celso Amorim.

Finally, our Executive Board approved a new five-year strategy in December that charts a clear path for us to serve the global response and lend a hand to achieving the Sustainable Development Goals.

More than 12 months in the making, the new strategy and Key Performance Indicators (KPIs) will guide us through the years ahead. At its heart are three clear objectives: innovation, access and scalability.

It has been a demanding year and we can all expect to rise to the fresh challenges that 2017 will bring.

The Financial Report is an important element of Unitaid's accountability framework, providing information to our stakeholders on the financial resources Unitaid has received and how they were used.

The information on assets and liabilities, revenue and expenses, cash flow and net assets gives a more complete picture of the financial position of the Secretariat as at 31 December 2016. The Financial Statements have been prepared in accordance with International Public Accounting Standards (IPSAS).

These Financial Statements were audited by the External Auditor of the World Health Organization (WHO). The opinion of the auditor is included in the report.

I would like to express my appreciation to the Board members of Unitaid, representing governments, foundations, Civil Society and partners, as well as WHO, for their continued support.

for 

Lelio Marmora  
Executive Director

## Structure and Governance

### Structure

Unitaid was established in 2006 by the Governments of Brazil, Chile, France, Norway and the United Kingdom (the Founding Members) and the World Health Organization (WHO) as an innovative funding mechanism to accelerate access to high-quality drugs and diagnostics for HIV/AIDS, tuberculosis and malaria in high-burden countries.

Unitaid is a multilateral partnership hosted by the 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. Unitaid is a self-financing partnership of WHO and its budget is independent of WHO's. Unitaid produces a full set of financial statements separate from WHO's which are audited separately from WHO's. Unitaid's accounts are not consolidated in the financial statements of WHO.

Unitaid has a small secretariat, based solely in Geneva, Switzerland, with no in-country operations.

Unitaid also has a donor relationship with the 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 Essential Medicines and Health Products (EMP – Health Systems and Innovation Cluster).

### Governance

The Unitaid Executive Board is the decision-making body for Unitaid and consists of twelve members, including the Founding Members, Asian countries represented by Korea, African countries represented by South Africa, Spain, the Bill and Melinda Gates Foundation and WHO, as well as representatives from two Constituencies - communities living with HIV/AIDS, malaria or TB and nongovernmental organizations.

The finances of Unitaid are overseen by the Finance and Accountability Committee (FAC) of the Executive Board. The role of the FAC is to assist the Board in fulfilling its responsibilities with regard to Unitaid's financial planning, management, performance and accountability, as well as risk management and internal control.

## Mission and Strategic Goals

Unitaid is focused on making a unique and impactful contribution to the global response against HIV/AIDS, tuberculosis, and malaria in developing countries. It catalyses improvements for the larger response through forward-looking and time-limited investments that are designed to increase access to better, more effective and more affordable health products (i.e. preventatives, medicines and diagnostics). These investments typically target market-based interventions such as price reductions, improvements in quality and supply, and the introduction of innovative products more suitable for the populations in need.

Unitaid supports national and international efforts and complements the role of existing international institutions. It relies on suitable programmatic partners to implement its programmes. At least 85% of Unitaid funds dedicated to purchase commodities should be spent on low-income countries.

Sustainable and predictable funding is essential for Unitaid to achieve its mission. Since its inception in 2006, 63% of the cumulative funding of Unitaid has come from the solidarity tax levied on air-tickets in several countries supporting Unitaid. Budgetary contributions make up almost the entire balance of the funding.

Unitaid's mission for 2017-2021 is to maximize the effectiveness of the global health response by catalyzing equitable access to better health products. Unitaid's projects work to fill the gap between late-stage development of health products and their widespread adoption. Unitaid ensures that innovative ideas come to fruition in the real world and in doing so, helps innovators to address the needs of underserved populations.

Unitaid has three Strategic Objectives: **Innovation, Access, and Scalability.**

They guide the design of Unitaid's interventions, which:

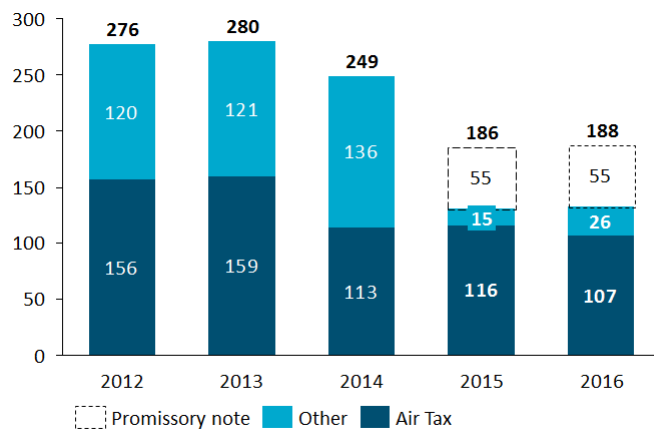
- Promote innovation - Unitaid connects those who are developing innovations with people who need them the most. Innovation means both using existing commodities in new ways and developing new products and approaches;
- Catalyze equitable access to better health products - Unitaid leverages its market expertise and its relationships with partners to design a portfolio of projects that will overcome barriers to access to innovative health products;
- Create the right conditions for scale up, so better health products reach all people who need them - From conception through implementation, Unitaid works with partners to ensure that projects transition to scale

## Finance Highlights

### Contributions

**2016: US\$ 188 million**

2015: US\$ 186 million  
 2014: US\$ 249 million  
 2013: US\$ 280 million  
 2012: US\$ 276 million

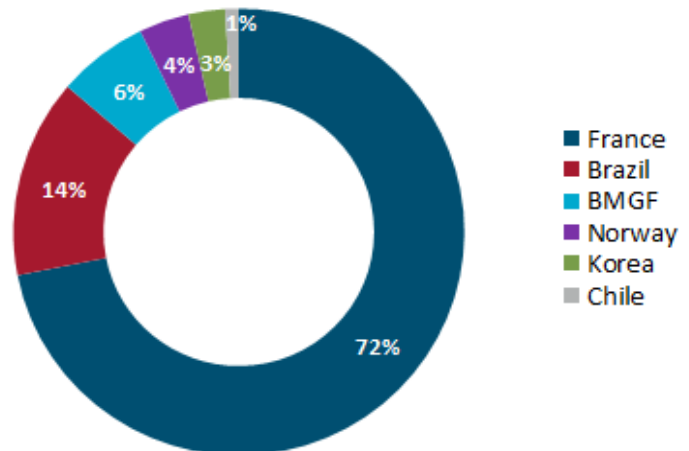


### Revenue for 2016

France continues to be the largest contributor to Unitaid.

The UK has committed £44 million per year for 2015-2017 in the form of promissory notes which have yet to be deposited.

Additional information can be found in Note 10 to the Financial Statements.

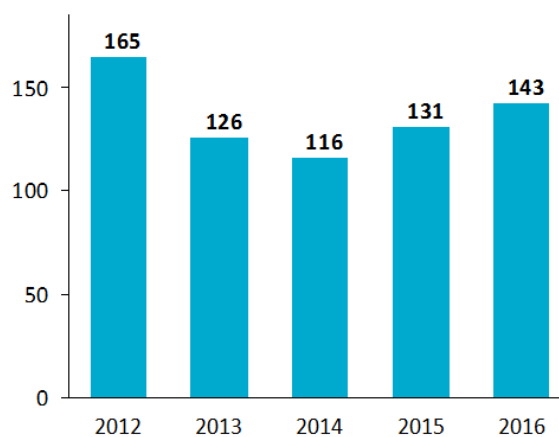


### Disbursements to grantees

(see note 6.2)

**2016: US\$ 143 million**

2015: US\$ 131 million  
 2014: US\$ 116 million  
 2013: US\$ 126 million  
 2012: US\$ 165 million



## **Certification of the financial statements for the year ended 31 December 2016**

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 2016. 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, the Republic of the Philippines Commission on Audit, whose opinion is included in this report.

The financial statements for the year ended 31 December 2016, together with the notes to the financial statements and supporting schedules, have been reviewed and approved.



Mr. David Curry

Director Finance and Administration

  
for:

Mr. Lelio Marmora

Executive Director

Geneva, 24 February 2017



## Opinion of the External Auditor



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City, Philippines

### INDEPENDENT AUDITOR'S REPORT

**To the Executive Board  
International Drug Purchase Facility (UNITAID)**

#### **Opinion**

We have audited the financial statements of the UNITAID, which comprise the statement of financial position as at 31 December 2016, and the statement of financial performance, statement of changes in net assets/equity, statement of cash flow, and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the UNITAID as at 31 December 2016, 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 International Public Sector Accounting Standards (IPSAS).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the UNITAID in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the UNITAID financial statements for the year ending 31 December 2016, 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 conclusion 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, based on the work we have performed, we conclude that there is a material misstatement of this 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 is 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 UNITAID's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the UNITAID or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the UNITAID's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 UNITAID's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the UNITAID's ability 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.
- 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.

#### **Report on Other Legal and Regulatory Requirements**

Further, in our opinion, the transactions of the UNITAID that have come to our notice or which 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 have also issued a long-form report on our audit of the UNITAID.



**Michael G. Aguinaldo**  
**Chairperson, Commission on Audit**  
**Republic of the Philippines**  
**External Auditor**

**Quezon City, Philippines**  
**3 April 2017**

## Statement I. Statement of Financial Position

As at 31 December 2016

(in thousands of US dollars)

	Notes	31-Dec-16	31-Dec-15 Restated
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents held by WHO	5.1	791 149	783 021
Contributions receivable - current	5.2	19 690	45 794
Staff receivables	5.3	275	90
Prepayments	5.4	392	
<b>Total current assets</b>		<b>811 506</b>	<b>828 905</b>
<b>Non-current assets</b>			
Contributions receivable - non-current	5.2		4 000
Guarantee deposit receivable	5.5	168	173
<b>Total non-current assets</b>		<b>168</b>	<b>4 173</b>
<b>TOTAL ASSETS</b>		<b>811 674</b>	<b>833 078</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	5.6	3 810	3 630
Staff payables	5.7	28	3
Accrued staff benefits - current	5.8	694	482
Accrued liabilities	5.9	13 548	14 018
Deferred revenue - current	5.10	4 000	4 000
<b>Total current liabilities</b>		<b>22 080</b>	<b>22 133</b>
<b>Non-current liabilities</b>			
Accrued staff benefits - non-current	5.8	10 202	7 926
Deferred revenue - non-current	5.10		4 000
<b>Total non-current liabilities</b>		<b>10 202</b>	<b>11 926</b>
<b>TOTAL LIABILITIES</b>		<b>32 282</b>	<b>34 059</b>
<b>NET ASSETS/EQUITY</b>			
Fund balance	7	779 392	799 019
<b>TOTAL NET ASSETS/EQUITY</b>		<b>779 392</b>	<b>799 019</b>
<b>TOTAL LIABILITIES AND NET ASSETS/EQUITY</b>		<b>811 674</b>	<b>833 078</b>

The section on significant accounting policies and the accompanying notes form part of the financial statements. 11

## Statement II. Statement of Financial Performance

For the year ended 31 December 2016

(in thousands of US dollars)

	Notes	31-Dec-16	31-Dec-15 Restated
<b>REVENUE</b>			
Voluntary contributions	6.1	132 650	130 737
<b>Total revenue</b>		<b>132 650</b>	<b>130 737</b>
<b>EXPENSES</b>			
Disbursements to grantees	6.2	132 302	130 477
Staff and other personnel costs	6.3	13 252	10 889
Contractual services	6.4	6 971	9 127
Travel	6.5	1 138	938
Equipment and furniture	6.6	112	293
General operating expenses	6.7	1 173	889
<b>Total expenses</b>		<b>154 948</b>	<b>152 613</b>
Finance revenue	6.8	4 468	3 753
<b>TOTAL DEFICIT FOR THE YEAR</b>		<b>( 17 830)</b>	<b>( 18 123)</b>

### Statement III. Statement of Changes in Net Assets/Equity

For the year ended 31 December 2016

(in thousands of US dollars)

	Notes	31-Dec-16	Deficit	Other adjustments (refer to note 5.8)	31-Dec-15 Restated
Fund balance	7	779 392	( 17 830)	( 1 797)	799 019
<b>TOTAL NET ASSETS/EQUITY</b>		<b>779 392</b>	<b>( 17 830)</b>	<b>( 1 797)</b>	<b>799 019</b>

## Statement IV. Statement of Cash Flow

For the year ended 31 December 2016

(in thousands of US dollars)

	31-Dec-16	31-Dec-15 Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
TOTAL DEFICIT FOR THE YEAR	( 17 830)	( 18 123)
(Increase) decrease in contributions receivable - current	26 104	( 39 307)
(Increase) decrease in accounts receivable - current		1 480
(Increase) decrease in staff receivables	( 185)	123
(Increase) decrease in prepayments	( 392)	
(Increase) decrease in contributions receivable - non-current	4 000	4 000
(Increase) decrease in guarantee deposit receivable	5	( 173)
Increase (decrease) in accounts payable	180	( 21 789)
Increase (decrease) in staff payables	25	( 43)
Increase (decrease) in accrued staff benefits - current	212	( 170)
Increase (decrease) in accrued liabilities	(470)	7 454
Increase (decrease) in accrued staff benefits - non-current	479	687
Increase (decrease) in deferred revenue - non-current	( 4 000)	( 4 000)
<b>Net cash flows from operating activities</b>	<b>8 128</b>	<b>( 69 861)</b>
<b>Cash and cash equivalents held by WHO at the beginning of the year</b>	<b>783 021</b>	<b>852 882</b>
<b>CASH and CASH EQUIVALENTS HELD BY WHO AT END OF THE PERIOD</b>	<b>791 149</b>	<b>783 021</b>

## Statement V. Statement of Comparison of Budget and Actual Amounts

For the year ended 31 December 2016

(in thousands of US dollars)

	Approved Budget	Forecast as at 30.09.2016	Actual	Variance to forecast	% implementation to forecast
<b>Expenses</b>					
<b>Governing Bodies</b>	<b>1 120</b>	<b>1 113</b>	<b>1 090</b>	<b>23</b>	<b>98%</b>
Staff Costs	15 000	13 940	13 252	688	95%
Activities	11 700	9 321	8 304	1 017	89%
<b>Secretariat</b>	<b>26 700</b>	<b>23 261</b>	<b>21 556</b>	<b>1 705</b>	<b>93%</b>
<b>Total</b>	<b>27 820</b>	<b>24 374</b>	<b>22 646</b>	<b>1 728</b>	<b>93%</b>
<b>Projects</b>					
	Forecasted disbursements	Updated forecasted disbursements	Actual	Variance to updated forecast	% implementation to updated forecast
HIV/AIDS	49 282	67 345	55 869	11 476	83%
Tuberculosis	15 879	18 409	18 237	172	99%
Malaria	46 913	38 684	45 982	( 7 298)	119%
Cross-cutting	18 231	22 697	22 432	265	99%
<b>Total Disbursements to Projects</b>	<b>130 305</b>	<b>147 135</b>	<b>142 520</b>	<b>4 615</b>	<b>97%</b>
<b>Return of Funds</b>	<b>( 10 000)</b>	<b>( 10 000)</b>	<b>( 11 395)</b>	<b>1 395</b>	<b>114%</b>
<b>Project Preparation Facility (PPF)</b>	<b>4 000</b>	<b>868</b>	<b>1 177</b>	<b>( 309)</b>	<b>136%</b>
<b>TOTAL EXPENSES</b>	<b>152 125</b>	<b>162 377</b>	<b>154 948</b>	<b>7 429</b>	<b>95%</b>



## Notes to the financial statements

### 1. 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 Standards (IFRS) have 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 (\$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 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.

#### Materiality<sup>1</sup> and the use of judgments and estimates

Materiality is central to Unitaid'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.

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<sup>1</sup> 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.

## 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.

## 2. Significant accounting policies

### 2.1. 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.

### 2.2. 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.

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.

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.

### 2.3. Prepayments and deposits

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

## **2.4. Leases**

A lease is an agreement whereby the lessor conveys to the lessee (Unitaid), in return for a payment or series of payments, the right to use an asset for an agreed period of time. Every lease is reviewed to determine whether it constitutes a financial or operating lease. Necessary accounting entries and disclosures are made accordingly.

## **2.5. 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 yet unpaid do not appear in the financial statements.

## **2.6. Employee benefits**

Unitaid recognizes the following categories of employee benefits:

- short-term employee benefits due to be settled within twelve months after the end of the accounting period in which employees render the related service;
- post-employment benefits;
- other long-term employee benefits;
- termination benefits.

Unitaid through WHO is a member organization participating in the United Nations Joint Staff Pension Fund (the UNJSPF or 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 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 plan. Unitaid, the UNJSPF, in line with other participating organizations in the Fund, are not in a position to identify Unitaid'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 Unitaid has treated this plan as if it was a defined contribution plan in line with the requirements of IPSAS 25. Unitaid's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance (see Statement II).

## **2.7. 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.

## **2.8. 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.

## **2.9. 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 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 there are “subject to” clauses in an agreement, 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.

## **2.10. Expense recognition**

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.

### **2.11. Statement of Cash Flow**

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

### **2.12. Statement of Comparison of Budget and Actual Amounts**

The Statement of Comparison of Budget and Actual Amounts (Statement V) includes both comparison of Board Approved budget amounts for Governing Bodies and Secretariat expenditures, and comparison of the forecasted disbursements against Board Approved projects (see Annex 2, 2a and 3 for further detail).

## **3. 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 its 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 reviews the credit ratings of the approved financial counterparties and takes prompt action whenever a credit rating is downgraded.

### **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 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.

### **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.

## **4. Note on the restatement of balances**

Effective 01 January 2016, the Organization has changed its accounting policy to recognize employee benefits in accordance with IPSAS 39. As a result actuarial gains and losses for the After Service Health Insurance Fund (ASHI) and the Special Fund for Compensation (SFFC) were accounted directly to net assets/equity. The effect of this change in accounting policy was recognized retrospectively, requiring restatement of the 2015 figures.

As a result, the 2015 surplus was reduced and non-current liabilities (accrued staff benefits) increased by US\$ 3.9 million.

Impact on the Statement of Financial Performance was as below:

Statement line	2015 ending balance	ASHI adjust	SFFC adjust	2016 opening balance (restated)
Staff cost	11 143	( 254)		10 889
Finance revenue	3 754		( 1)	3 753
	14 897	( 254)	( 1)	14 642

Impact on the Statement of Financial Position was as below:

Statement line	2015 ending balance	ASHI adjust	SFFC adjust	2016 opening balance (restated)
<b>Non-current liabilities</b>				
Accrued staff benefits - non-current	3 980	3 967	( 21)	7 926
<b>Net Assets/Equity</b>				
Net Assets/Equity	802 965	( 3 967)	21	799 019

## 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 managers.

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.

The cash and cash equivalents held by WHO on behalf of Unitaid total US\$791.1 million at 31 December 2016 compared to US\$783.0 million as of 31 December 2015. Of these amounts, the following are estimated cash commitments against Board approved projects with signed agreements for disbursements to grantees, as well as Board approved projects for which signed agreements are currently in process.

<i>in thousands of US dollars</i>	
<b>2017</b>	169 402
<b>2018</b>	132 667
<b>2019</b>	117 711
<b>2020</b>	38 290
<b>2021</b>	8 340
<b>Committed funds on closing projects</b>	50 135
<b>Total cash commitments</b>	<b>516 545</b>

## 5.2. Contributions receivable – net

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 2016, with non-current receivables expected to be received more than a year from 31 December 2016.

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
France	15 690	41 794
Republic of Korea	4 000	4 000
<b>Total current receivables</b>	<b>19 690</b>	<b>45 794</b>

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Republic of Korea		4 000
<b>Total non-current receivables</b>		<b>4 000</b>
<b>Total current and non-current receivables</b>	<b>19 690</b>	<b>49 794</b>

The receivable from Korea corresponds to a five-year commitment of US\$20 million, with US\$4 million due yearly from 2013 through 2017. The 2013 through 2016 portions have been paid.

## 5.3. 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\$ 275 thousand as at 31 December, 2016 (US\$ 90 thousand as at December 2015). The largest balance relates to education grant advances which are made to staff for the 2017 portion of the 2016-2017 school year.



<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Education grant advance	187	61
Expected sick leave under insurance cover refund	80	
Salary advance	8	14
Travel advance		13
Other receivables		2
<b>Total staff receivables</b>	<b>275</b>	<b>90</b>

#### **5.4. Prepayments**

The terms of the sub-lease agreement with Transocean Management Ltd. (see Note 5.5) are such that rental payments are to be made semi-annually within the first week of each six-month period.

#### **5.5. Guarantee deposit receivable**

WHO on behalf of Unitaid entered into a sub-lease agreement with Transocean Management Ltd. upon the move into new offices effective 1 July 2015. A security deposit equivalent to three months' rent was required as part of the agreement, and is on deposit at Credit Suisse in a separate WHO account.

#### **5.6. Accounts payable**

Accounts payable represent 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.

As at 12 January 2017, US\$3.39 million (of the US\$3.81 million owed to grantees and suppliers) which had been invoiced in the last two weeks of December 2016 were paid.

#### **5.7. Staff payables**

Staff payables consist of salaries payable (balances due to staff pending the finalization of the separation process), travel claims payable and bank returns balances due to staff pending the receipt of updated bank account information.

## 5.8. Accrued staff benefits

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

Description	31-Dec-16	31-Dec-15 Restated
Accrued staff benefits - current		
Terminal payments	694	482
<b>Total accrued staff benefits - current</b>	<b>694</b>	<b>482</b>
Accrued staff benefits - non-current		
Terminal payments	788	757
Special Fund for Compensation	46	52
Staff Health Insurance	9 368	7 117
<b>Total accrued staff benefits - non-current</b>	<b>10 202</b>	<b>7 926</b>
Accrued staff benefits		
Terminal payments	1 482	1 239
Special Fund for Compensation	46	52
Staff Health Insurance	9 368	7 117
<b>Total accrued staff benefits</b>	<b>10 896</b>	<b>8 408</b>

### 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 2016) estimated the full terminal payment liability to be US\$ 1.48 million (short-term liability, US\$ 0.69 million; long-term liability, US\$0.79 million) compared to US\$ 1.23 million as at 31 December 2015. 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\$ 0.89 million (US\$ 0.83 million as at 31 December 2015) for terminal entitlements, and US\$ 0.59 million (US\$ 0.41 million as at 31 December 2015) for annual leave which is included in the terminal payments current balance.

As per the actuarial study, a net increase of US\$ 0.24 million is recognized, by nature of expenses, in the Statement of Financial Performance.

## **Staff health insurance**

The Secretariat 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 2016 defined benefit obligation for the Staff Health Insurance based on personnel data and payment experience provided by Unitaïd/WHO. As at 31 December 2016 the unfunded defined benefit obligation amounted to US\$ 12.43 million (US\$ 9.63 million in 2015 restated) of which US\$ 1.8 million was charged to net assets / equity in 2016.

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**

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\$ 45.5 thousand at 31 December 2016 (US\$ 51.4 thousand as at 31 December 2015 restated).

**Actuarial summary of terminal payments, Staff Health Insurance and the Special Fund for Compensation (US\$ thousands)**

Description	Terminal Payments (other than accrued leave)	Staff Health Insurance	Special Fund for Compensation
<b>Reconciliation of Defined Benefit Obligation</b>			
Defined Benefit Obligation as at 31 December 2015	830	9 631	52
Service cost	131	881	10
Interest cost	24	144	2
Actual Gross Benefit Payments for 2016	( 119)	( 60)	
Actual Administrative Expenses		( 4)	
Actual contributions by participants		13	
Plan Amendments		( 16)	
Actuarial (Gain) Loss	29	1 846	( 18)
<b>Defined Benefit Obligation as at 31 December 2016</b>	<b>895</b>	<b>12 435</b>	<b>46</b>
<b>Reconciliation of Assets</b>			
Assets as at 31 December 2015		2 514	
Actual Gross Benefit Payments for 2016	( 119)	( 485)	
Actual Administrative Expenses		( 31)	
Organization Contributions during 2016	119	358	
Participant Contributions during 2016		714	
Increase/Decrease in 470.1 reserve		( 75)	
Interest on Net SHI Assets for 2016		42	
Asset Gain (Loss)		30	
<b>Assets as at 31 December 2016</b>		<b>3 067</b>	
<b>Reconciliation of Unfunded Status</b>			
Defined Benefit Obligation			
Active	895	10 229	46
Inactive		2 207	
Total defined benefit obligation	895	12 435	46
Plan Assets			
Gross Plan Assets		(3 239)	
Offset for 470.1 Reserve		172	
Total plan assets		(3 067)	
Deficit (Surplus)	895	9 368	46
<b>Net Liability (Asset) Recognized in Statement of Financial Position</b>	<b>895</b>	<b>9 368</b>	<b>46</b>
Current	107		
Non-current	788	9 368	46
<b>Net Liability (Asset) Recognized in Statement of Financial Position</b>	<b>895</b>	<b>9 368</b>	<b>46</b>
Annual expense for 2016			
Service cost	131	881	10
Interest cost	24	102	2
Remeasurements	29		
Past Service (Credit)/Cost		( 16)	
<b>Total Expense Recognized in Statement of Financial Performance</b>	<b>184</b>	<b>967</b>	<b>12</b>
<b>Actuarial (Gain)/Loss recognised in Net Assets/Equity</b>		<b>(1 816)</b>	<b>19</b>
Expected Contributions during 2017			
Contributions by Unitaid	109	777	
Contributions by Unitaid for inactives		82	
<b>Total expected contributions for 2017</b>	<b>109</b>	<b>859</b>	

<b>2016 service cost plus interest cost</b>	<b>US\$ thousands</b>
Current medical inflation assumption minus 1%	744
Current medical inflation assumption	1 025
Current medical inflation assumption plus 1%	1 428

<b>31 December 2016 defined benefit obligation</b>	<b>US\$ thousands</b>
Current medical inflation assumption minus 1%	9 354
Current medical inflation assumption	12 435
Current medical inflation assumption plus 1%	16 749

### 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.

The actuaries used the roll-forward method to estimate the liabilities in 2016. Normally, a full reevaluation is done every three years, the next full reevaluation is planned at the end of 2016.

#### Measurement date

All plans:	31 December 2016
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#### Discount rate

Terminal payments (other than accrued leave):	The discount rate used is 3.0% (increase from 2.9% in the prior valuation). Based on the combined projected benefit payments from the prior valuation with weights of 75% on the Aon Hewitt AA Bond Universe yield curve and 25% on the SIX Swiss Exchange yield curve as of 31 December 2016. The resulting discount rate is rounded to the nearest 0.1%.
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Staff health insurance:	Europe, 1.5% (decrease from 1.6% in prior valuation); the Americas, 4.5% (increase from 4.1% in prior valuation); Other Countries, 4.8% (increase from 4.4% in prior valuation).
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For Europe, beginning with the 31 December 2010 valuation, WHO adopted a yield curve approach to reflect the pattern of expected cash flows from the European major office. The rate is a weighted average of the 0.91% rate from the SIX Swiss Exchange curve and the 2.66% rate from the iBoxx Euro Zone curve, with a two thirds weight on the former. The resulting rate is rounded to the nearest 0.1%.

For the Americas and Other Countries, the rates are determined using the Aon Hewitt AA Bond Universe curve. Beginning with the 31 December 2016 valuation, the rate for the Americas is determined in aggregate for PAHO and AMRO. The resulting rates for The Americas and Other Countries can differ, due to different patterns of expected cash flows from those regions. In all regions, the resulting rate is rounded to the nearest 0.1%.

Special Fund for Compensation:	The discount rate used is 3.7% (increase from 2.9% in the prior valuation). Based on the combined projected benefit payments from the prior valuation with weights of 75% on the Aon Hewitt AA Bond Universe yield curve and 25% on the SIX Swiss Exchange yield curve as of 31 December 2016. The resulting discount rate is rounded to the nearest 0.1%.
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**Annual general inflation**

Terminal payments (other than accrued leave):	The inflation rate used is 2.2%. Based on inflation rates of 2.5% for the United States of America and 1.1% for Switzerland with weights of 75% and 25%, respectively. The resulting inflation rate is rounded to the nearest 0.1%.
Staff health insurance:	Europe 1.4%, the Americas 2.5%, Other Countries 2.5%. Based on Aon Hewitt's Q3 2016 10-year forecast of global capital market assumptions. Rate for Europe is the average of rates for Switzerland (1.1%) and the rest of Europe (1.6%), rounded to the nearest 0.1%. Rate for The Americas and Other Countries is based on the 31 December 2013 valuation of the UNJSPF.
Special Fund for Compensation:	The inflation rate used is 2.2%. Based on inflation rates of 2.5% for the United States of America and 1.1% for Switzerland with weights of 75% and 25%, respectively. The resulting inflation rate is rounded to the nearest 0.1%.

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**Annual salary scale**

All plans:	General inflation, plus 0.5% per year productivity growth, plus merit component. Productivity and merit increases are set equal to those from the 31 December 2013 valuation of the UNJSPF.
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**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.
Staff health insurance:	Not applicable
Special Fund for Compensation:	Not applicable

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**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.
Staff health insurance:	Not applicable
Special Fund for Compensation:	Not applicable

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**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.
Staff health insurance:	Not applicable
Special Fund for Compensation:	Not applicable

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**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 25 and, therefore, are excluded from the valuation.
Staff health insurance:	Not applicable
Special Fund for Compensation:	Not applicable

## United Nations Joint Staff Pension Fund

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 using the Open Group Aggregate Model. The primary purpose of the actuarial valuation is to determine whether the current and estimated asset of the Fund will be sufficient to meet its liabilities.

Unitaid's financial obligation to the UNJSPF 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 payment under Article 26 of the Regulations of the 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.

The actuarial valuation performed as of 31 December 2015 revealed an actuarial surplus of 0.16% (a deficit of 0.72% in the 2013 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as of 31 December 2015 was 23.54% of pensionable remuneration, compared to the actual contribution rate of 23.70%. The next actuarial valuation will be conducted as of 31 December 2017.

At 31 December 2015, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 141.1% (127.5% in the 2013 valuation). The funded ratio was 100.9% (91.2% in 2013 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2015, 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 of the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities under the Fund. At the time of this report, the General Assembly has not invoked the provision of Article 26.

During 2016, Unitaid paid US\$2.2 million (US\$1.8million in 2015) as a contribution to UNJSPF. Expected contributions in 2017 are US\$2 million. Unitaid's contributions paid to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance (Statement II).

The United Nations Board Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at [www.unjspf.org](http://www.unjspf.org).

### 5.9. Accrued liabilities

Accrued liabilities consist of expenses that have been incurred during 2016, but remain to be paid. As at 21 Feb 2017, US\$7.6 million (of the US\$13.5 million total accrued liabilities) have been paid.

### 5.10. Deferred revenue

Deferred revenue on voluntary contributions represents multi-year agreements signed in 2016 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 upon when the funds are available to the Organization to spend.

Complete detail of all existing multi-year donor commitments are presented in Note 10.

## 6. Supporting information to the Statement of Financial Performance

### Revenue

#### 6.1. Voluntary contributions

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

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Bill & Melinda Gates Foundation	10 000	10 000
Brazil	10 189	
Cameroon	504	
Chile	1 500	2 000
Cyprus		( 488)
France	100 616	109 706
Norway	5 841	5 519
Republic of Korea	4 000	4 000
<b>Total voluntary contributions</b>	<b>132 650</b>	<b>130 737</b>

Refer to Annex 1 for information on voluntary contributions received since 2006. To date Unitaid has not received any contributions in kind.

Commitments from the United Kingdom are now being made through a promissory note (PN) mechanism. Due to the conditions surrounding these promissory notes, no PNs were deposited by the United Kingdom in either 2015 or 2016. Refer to Note 10 on Future Revenue for additional information.



## Expenses

### 6.2. 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>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Disbursements to grantees	142 520	131 086
Disbursements to grantees - PPF	1 177	
Return of funds	(11 395)	(609)
<b>Total disbursements</b>	<b>132 302</b>	<b>130 477</b>

Disbursements for 2016 as compared to 2015 are broken down by area as follows:

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
HIV/AIDS	55 869	52 628
TB	18 237	34 290
Malaria	45 982	27 700
Cross-cutting	22 432	16 468
<b>Total disbursements to grantees</b>	<b>142 520</b>	<b>131 086</b>

Disbursements to grantees since 2006 are presented in Annex 2.

In June 2015, the Executive Board passed a resolution to establish a Project Preparation Facility (PPF), to allocate funding to proponents in need of funding for effective grant development. The facility was not available for use until 2016. The principles attached are:

- PPF per grant shall be capped, with funding to be 2% of the proposed budget or US\$0.5 million, whichever is less
- Eligible costs are restricted to key grantee staff, necessary pre-implementation activities, required experts and travel
- PPF will be attributed on a needs basis, taking into account the level of investment

Funding accessed under the PPF for 2016 and 2015 are broken down as follows:

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
HIV/AIDS	957	
Malaria	220	
<b>Total disbursements to grantees - PPF</b>	<b>1 177</b>	

Return of funds consist of amounts returned by grantees for unspent funds remaining upon grant closure.

### 6.3. 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>	<b>31-Dec-16</b>	<b>31-Dec-15 Restated</b>
Staff and other personnel costs	13 252	10 889
<b>Total staff and other personnel costs</b>	<b>13 252</b>	<b>10 889</b>

### 6.4. 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>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Contractual services	5 680	7 139
Contractual services provided by WHO	1 291	1 988
<b>Total contractual services</b>	<b>6 971</b>	<b>9 127</b>

A breakdown of the cost of hosting services paid to WHO is as follows:

<i>in US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Administrative services	1 105	1 615
Legal services	167	117
Premises		233
Audit	19	23
<b>Total contractual services provided by WHO</b>	<b>1 291</b>	<b>1 988</b>

Administrative services in 2015 include an amount of US\$387 000 which was charged in early 2015 for 2014 amounts finalized by WHO in the first quarter of the year.

As of 1 July 2015 Unitaid no longer occupied offices in the WHO thereby reducing the amount paid to WHO for premises.

## 6.5. 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.

Travel expenses break down as follows:

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Governing Bodies	283	257
Secretariat	567	316
Grants and business development	288	365
<b>Total</b>	<b>1 138</b>	<b>938</b>

## 6.6. Equipment and furniture

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 of 31 December 2016 no equipment or furniture purchases have reached the threshold.

## 6.7. 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) and rent.

Unitaid rents office space outside of the WHO campus. Obligations through the life of the sub-lease can be found at Note 11.

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
General operating expenses	399	269
Move related expenditures		203
Blandonnet premises rent	694	345
Blandonnet premises ancillary costs	80	72
<b>Total</b>	<b>1 173</b>	<b>889</b>

## 6.8. Finance revenue

Finance revenue includes the following:

<i>in thousands of US dollars</i>	<b>31-Dec-16</b>	<b>31-Dec-15 Restated</b>
Investment revenue	6 361	4 124
Net realized foreign exchange gains or (losses)	(1 834)	( 332)
Net unrealized foreign exchange gains or (losses)	( 5)	( 13)
Actuarial revaluation gains or (losses) on Terminal Payments Fund	( 29)	( 6)
Actuarial interest cost related to valuation of Terminal Payments Fund	( 25)	( 20)
<b>Total financial revenue and costs</b>	<b>4 468</b>	<b>3 753</b>

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-USD currency payables throughout the financial year.

The unrealized foreign exchange gain/(loss) is the net unrealized foreign exchange gain calculated at 31 December 2016 for hedged contributions not yet received and amounts payable in non-USD currency.

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 interest earned on disbursements from Unitaid, but given the needs-based disbursement policy of Unitaid and current market conditions the net interest earned by the grantees on idle cash is expected to be negligible.

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

Unitaid maintains a single fund. The net assets have not been allocated to specific reserves by the Board. The net assets are the cumulative results of revenue and expenses since inception.

Net assets at December 31, 2016 total US\$779.4 million. The projected balance of funds to be paid against approved grant agreements is an estimated US\$516.5 million as detailed in Note 5.1.

## 8. Related parties and other senior management disclosures

### a) Key management personnel

Staff members considered as key management personnel (KMP) include the Executive Director and his Advisor, the Deputy Executive Director and the Senior Management Team (Operations, Strategy, Results, External Relations, Communications, Finance & Administration and Legal).

Number of individuals	Compensation & post adjustment	Entitlements	Pension & health plans	Total remuneration to 31-Dec-16
10	2 004	342	465	2 811

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 with an additional US\$29.2 million approved for the 2016-2020 period at the December 2016 Executive Board meeting. As at 31 December 2016 the amount disbursed to MPPF from Unitaid is US\$30.24 million (Annex 3).

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

## 9. Future commitments to grantees

As at 31 December 2016 US\$2.6 billion has been committed through grant agreements, with cumulative disbursements against these commitments totaling US\$1.75 billion. The value of future disbursements to active grants and the funding approved for new projects by the EB in December 2016 is estimated at US\$516.5 million as detailed in Note 5.1.

## 10. Future revenue

On 16 December 2015 Unitaid received confirmation of an Amendment (No.3, 2016) to the Donor Administrative Agreement with the United Kingdom. For the three year period 2015-2017, DFID has committed to make a contribution of up to £132 million in three equal payments of £44 million each, of which £9 million each year is dependent on Unitaid's performance against agreed milestones. These milestones were achieved in both 2015 and 2016. Promissory Notes will be deposited into DFID's 'securities account' held at the Bank of England following a payment request by Unitaid according to need. As at 31 December 2016 need for deposit of these funds had not been demonstrated.

## 11. 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 2016, Unitaid has no pending legal cases and has no such liability to disclose at the date of the preparation of the Financial Statements.

As of May 1, 2016, Unitaid entered into an operating sublease arrangement for renting office space outside of the WHO campus through until April 30, 2019. Future minimal lease rental payments are as follows (using the UN rate of exchange at 31 December 2016):

<i>in thousands of US dollars</i>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Office space and parking	670	670	223
Ancillary costs	83	83	28
<b>Total sublease obligation</b>	<b>753</b>	<b>753</b>	<b>251</b>

Other commitments are amounts already committed to grantees (as detailed in Note 9).

**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 2016, there are no material contingent assets to disclose.

**12. Events after reporting date**

Unitaid's reporting date is 31 December 2016. On the date of the signing of these accounts, no material events, favourable or unfavourable, had arisen between the balance sheet date and the date when the financial statements were authorized for issue that would have an impact on the financial statements.

On 22 February 2017 Unitaid received US\$12.9 million from Brazil as payment for their 2014 commitment. As there was no formal commitment letter provided for these contributions, they will be accounted for as revenue in 2017.

## Schedule I Annual Financial Position

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

	Notes	2016	2015 (Restated)	2014	2013	2012
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents held by WHO	5.1	791 149	783 021	852 882	707 070	553 805
Contributions receivable - current	5.2	19 690	45 794	6 488	9 103	113 250
Accounts receivable		-	-	1 480	-	-
Staff receivables	5.3	275	90	213	145	101
Prepayments	5.4	392	-	-	-	-
<b>Total current assets</b>		<b>811 506</b>	<b>828 905</b>	<b>861 063</b>	<b>716 318</b>	<b>667 157</b>
<b>Non-current assets</b>						
Contributions receivable - non-current	5.2		4 000	8 000	12 000	488
Guarantee deposit receivable	5.5	168	173	-	-	-
<b>Total non-current assets</b>		<b>168</b>	<b>4 173</b>	<b>8 000</b>	<b>12 000</b>	<b>488</b>
<b>TOTAL ASSETS</b>		<b>811 674</b>	<b>833 078</b>	<b>869 063</b>	<b>728 318</b>	<b>667 645</b>



## Schedule I Annual Financial Position (continued)

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

	Notes	2016	2015	2014	2013	2012
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable	5.6	3 810	3 630	25 419	333	543
Staff payables	5.7	28	3	46	39	61
Accrued staff benefits - current	5.8	694	482	653	814	637
Accrued liabilities	5.9	13 548	4 000	4 000	4 488	87 659
Deferred revenue - current	5.10	4 000	14 018	6 565	1 226	6 367
<b>Total current liabilities</b>		<b>22 080</b>	<b>22 133</b>	<b>36 683</b>	<b>6 900</b>	<b>95 268</b>
<b>Non-current liabilities</b>						
Accrued staff benefits - non-current	5.9	10 202	4 000	8 000	12 000	488
Deferred revenue - non-current	5.10		7 926	3 039	2 564	1 615
<b>Total non-current liabilities</b>		<b>10 202</b>	<b>11 926</b>	<b>11 039</b>	<b>14 564</b>	<b>2 103</b>
<b>TOTAL LIABILITIES</b>		<b>32 282</b>	<b>34 059</b>	<b>47 722</b>	<b>21 464</b>	<b>97 371</b>
<b>NET ASSETS</b>						
Fund balance	7	779 392	799 019	821 341	706 854	570 274
<b>TOTAL NET ASSETS</b>		<b>779 392</b>	<b>799 019</b>	<b>821 341</b>	<b>706 854</b>	<b>570 274</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>811 674</b>	<b>833 078</b>	<b>869 063</b>	<b>728 318</b>	<b>667 645</b>

## Schedule II Annual Financial Performance

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

	Notes	2016	2015	2014	2013	2012
<b>OPERATING REVENUE</b>						
Voluntary contributions for the period	6.1	132 650	130 737	248 785	279 668	276 452
Miscellaneous income		-	-	399	-	-
<b>TOTAL OPERATING REVENUE</b>		<b>132 650</b>	<b>130 737</b>	<b>249 184</b>	<b>279 668</b>	<b>276 452</b>
<b>OPERATING EXPENSES</b>						
Disbursements to grantees	6.2	132 302	130 478	116 052	125 873	164 739
Staff and other personnel costs	6.3	13 252	11 143	12 546	12 325	10 605
Contractual Services	6.4	6 971	9 127	8 396	7 234	6 783
Travel	6.5	1 138	938	948	1 185	1 411
Equipment and furniture	6.6	112	293	50	85	81
General operating expenses	6.7	1 173	889	170	74	83
<b>TOTAL OPERATING EXPENSES</b>		<b>154 948</b>	<b>152 868</b>	<b>138 162</b>	<b>146 776</b>	<b>183 702</b>
Finance revenue	6.8	4 468	3 754	3 465	3 688	1 977
<b>TOTAL (DEFICIT)/SURPLUS</b>		<b>( 17 830)</b>	<b>( 18 377)</b>	<b>114 487</b>	<b>136 580</b>	<b>94 727</b>

## Annex 1 Operating Revenue – Voluntary Contributions

Cumulative as at 31 December 2016 (in thousands of US dollars)

	2006 -2016	2016	2015	2014	2013	2012	2006-2011
Bill & Melinda Gates Foundation	100 000	10 000	10 000	10 000	10 000	10 000	50 000
Brazil (Note 12)	90 321	10 188		42 931			37 202
Cameroon	1 934	504				412	1 018
Chile	33 543	1 500	2 000	2 000	4 000	3 643	20 400
Congo	1 090						1 090
Cyprus	2 555		( 488)	488	488	488	1 578
France	1 605 415	100 616	109 706	105 328	149 457	143 408	996 899
Guinea	49						49
Luxembourg	1 961						1 961
Madagascar	33			3		3	27
Mali	928						928
Mauritius	12 083			1 657	1 685	1 709	7 032
Millenium Foundation	2 572				1 500	1 072	
Niger	281						281
Norway	183 009	5 841	5 519	19 186	21 368	21 546	109 550
Republic of Korea	51 000	4 000	4 000	4 000	4 000	7 000	28 000
Spain	81 603						81 603
United Kingdom	499 621			63 191	87 171	87 171	262 088
<b>Total</b>	<b>2 667 998</b>	<b>132 650</b>	<b>130 737</b>	<b>248 785</b>	<b>279 668</b>	<b>276 452</b>	<b>1 599 706</b>

**Annex 2 Current Portfolio Financial Overview**  
**Cumulative as at 31 December 2016 (in thousands of US dollars)**

HIV/AIDS	Grantee	Board approved amount (PSC incl.)	Grant agreement value (PSC incl.)	Total disbursed	Disbursements to grant agreement value
<b>Diagnostics:</b>					
Implementation of CD4 and VL testing in decentralized, resource-limited settings	MSF	28 696	28 696	20 003	70%
Open polyvalent platforms for sustainable and quality access to VL in resource limited settings (OPP-ERA)	FEI	6 400	6 400	5 700	89%
Open polyvalent platforms for sustainable and quality access to VL in resource limited settings (OPP-ERA)	Solthis	14 705	14 705	3 292	22%
Providing access to EID and VL monitoring by SAMBA	Diagnostics for the real world	8 844	8 844	8 842	100%
EGPAF-POC EID Introduction of POC EID in decentralized settings	Elisabeth Glaser Pediatric AIDS Foundation	63 082	63 082	13 151	21%
A global network to improve access and quality of HIV Monitoring Technologies	LSHTM	4 928	4 928	3 971	81%
Accelerating access to Innovative POC HIV diagnostics, phase 2b	CHAI/UNICEF	94 363	94 363 *	4 599	5%
<b>Total Diagnostics</b>		<b>221 018</b>	<b>221 018</b>	<b>59 558</b>	<b>27%</b>
<b>Treatment:</b>					
Innovation in ARV Paediatric market access (IPMA)	CHAI	12 630	11 630	9 692	83%
ARV Dolphin 2	University of Liverpool (UoL)	8 885	8 885	677	8%
ARV first line (ADVANCE)	Wits RHI	12 929	12 929	1 671	13%
CHAI ARV - Acceleration patient access to optimal antiretrovirals	CHAI	34 117	34 117	4 701	14%
Enabling Access to new generation 1st line ARVs in LIC	Institut Buisson Bertrand (IBB)	2 450	2 450	401	16%
ARV D2EFT	University of New South Wales (UNSW)	8 807	8 807	1 902	22%
Market entry of an improved solid protease inhibitor-based first-line antiretroviral combination therapy for infants and children with HIV/AIDS	DNDi	17 336	17 335	9 046	52%
<b>Total Treatment</b>		<b>97 154</b>	<b>96 153</b>	<b>28 089</b>	<b>29%</b>

\*Committed amounts based on draft grant agreement

## Annex 2 Current Portfolio Financial Overview (continued)

Cumulative as at 31 December 2016 (in thousands of US dollars)

HIV/AIDS	Grantee	Board approved amount (PSC incl.)	Grant agreement value (PSC incl.)	Total disbursed	Disbursements to grant agreement value
<b>Prevention:</b>					
PSI-Self-testing I HIV self-testing phase 1	Population Services International (PSI)	23 661	23 661	18 073	76%
Enabling Scale-up of pre-exposure prophylaxis and linkage to testing among sexually active older adolescents with substantial HIV risk	UNICEF	38 166	38 166 *		
<b>Total Prevention</b>		<b>61 827</b>	<b>61 827</b>	<b>18 073</b>	<b>29%</b>
<b>HCV:</b>					
MSF-HCV Access to the HCV treatment revolution	MSF	14 981	14 981	2 005	13%
Unlocking the Hepatitis C diagnostic and treatment market	FIND	38 264	38 264	5 700	15%
<b>Total HCV</b>		<b>53 246</b>	<b>53 245</b>	<b>7 705</b>	<b>14%</b>
<b>Other:</b>					
Tides-ITPC Access to treatment for PLHIV in MIC	Tides Center (ITPC)	6 000	6 000	4 876	81%
C+ HIV/HCV HIV/HCV Drug Affordability Project	Coalition Plus	5 230	5 230	2 147	41%
Preventing Patent Barriers	Lawyers collective	677	677	354	52%
WHO HTM Enabler sub-grant HIV/HCV	WHO	13 107	13 107 *		
<b>Total Other</b>		<b>25 014</b>	<b>25 014</b>	<b>7 378</b>	<b>29%</b>
<b>Total for HIV/AIDS</b>		<b>458 259</b>	<b>457 257</b>	<b>120 802</b>	<b>26%</b>

\*Committed amounts based on draft grant agreement

## Annex 2 Current Portfolio Financial Overview (continued)

*Cumulative as at 31 December 2016 (in thousands of US dollars)*

Tuberculosis	Grantee	Board approved amount (PSC incl.)	Grant agreement value (PSC incl.)	Total disbursed	Disbursements to grant agreement value
<b>Diagnostics:</b>					
Scaling up access to contemporary TB diagnostics (GeneXpert)	Stop TB	25 900	25 900	25 808	100%
<b>Total Diagnostics</b>		25 900	25 900	25 808	100%
<b>Treatment:</b>					
Paediatric TB Centre of Excellence	TB Alliance	16 720	16 606	15 490	93%
PIH-ENDTB Expand New Drug Market for TB	Partners in Health (PIH)	60 370	60 370	21 164	35%
<b>Total Treatment</b>		77 090	76 976	36 654	48%
<b>Total for Tuberculosis</b>		<b>102 990</b>	<b>102 876</b>	<b>62 461</b>	<b>61%</b>

## Annex 2 Current Portfolio Financial Overview (continued)

*Cumulative as at 31 December 2016 (in thousands of US dollars)*

Malaria	Grantee	Board approved amount (PSC incl.)	Grant agreement value (PSC incl.)	Total disbursed	Disbursements to grant agreement value
<b>Diagnostics:</b>					
Sustainable Global and National Quality Control for Malaria Rapid Diagnostics Tests	FIND / WHO	9 442	9 442	6 661	71%
Creating a Private Sector Market for Quality Assured RDTs in Malaria-Endemic Countries	PSI / MC / FIND / WHO	34 291	34 291	20 713	60%
<b>Total Diagnostics</b>		<b>43 732</b>	<b>43 732</b>	<b>27 374</b>	<b>63%</b>
<b>Treatment:</b>					
Improving severe malaria outcome	MMV / CHAI / MC	34 000	34 000	20 033	59%
<b>Total Treatment</b>		<b>34 000</b>	<b>34 000</b>	<b>20 033</b>	<b>59%</b>
<b>Prevention:</b>					
MC-SMC Access to SMC Services	Malaria Consortium	67 435	67 435	50 052	74%
Accelerate uptake of new vector control tools	IVCC	65 105	65 105	13 437	21%
<b>Total Prevention</b>		<b>132 540</b>	<b>132 540</b>	<b>63 489</b>	<b>48%</b>
<b>Other:</b>					
ACT watch2: Malaria market intelligence to evaluate global investments and define sustainable strategic options that ensure access to high quality commodities	PSI	2 800	2 800	2 378	85%
<b>Total Other</b>		<b>2 800</b>	<b>2 800</b>	<b>2 378</b>	<b>85%</b>
<b>Total for Malaria</b>		<b>213 072</b>	<b>213 072</b>	<b>113 274</b>	<b>53%</b>

## Annex 2 Current Portfolio Financial Overview (continued)

*Cumulative as at 31 December 2016 (in thousands of US dollars)*

Cross-cutting	Grantee	Board approved amount (PSC incl.)	Grant agreement value (PSC incl.)	Total disbursed	Disbursements to grant agreement value
<b>Other:</b>					
Pre-qualification of Medicines	WHO	38 137	38 137	28 786	75%
Quality assurance of Diagnostics	WHO	12 167	12 167	9 390	77%
Medicines Patent Pool Foundation	MPPF	29 216	29 216	6 283	22%
Wambo - E-market place for the procurement of public health commodities	The Global Fund	5 767	5 767	950	16%
<b>Total Other</b>		<b>85 286</b>	<b>85 286</b>	<b>45 409</b>	<b>53%</b>
<b>Total for Cross-cutting</b>		<b>85 286</b>	<b>85 286</b>	<b>45 409</b>	<b>53%</b>
<b>TOTAL</b>		<b>859 607</b>	<b>858 491</b>	<b>341 946</b>	<b>40%</b>



**Annex 2a Summary of the Current Portfolio Financial Overview**  
*Cumulative as at 31 December 2016 (in thousands of US dollars)*

	<b>Grant agreement value</b>	<b>% of grant agreement portfolio</b>	<b>Total disbursed</b>	<b>Current net value</b>	<b>% of the current net portfolio</b>
<b>HIV:</b>					
Diagnostics	221 018	26%	59 558	161 460	31%
Treatment	96 153	11%	28 089	68 064	13%
Prevention	61 827	7%	18 073	43 754	8%
HCV	53 245	6%	7 705	45 540	9%
Other	25 014	3%	7 378	17 636	3%
<b>Total HIV</b>	<b>457 257</b>	<b>53%</b>	<b>120 802</b>	<b>336 455</b>	<b>65%</b>
<b>TB:</b>					
Diagnostics	25 900	3%	25 808	92	0%
Treatment	76 976	9%	36 654	40 322	8%
<b>Total TB</b>	<b>102 876</b>	<b>12%</b>	<b>62 461</b>	<b>40 414</b>	<b>8%</b>
<b>Malaria:</b>					
Diagnostics	43 732	5%	27 374	16 359	3%
Treatment	34 000	4%	20 033	13 967	3%
Prevention	132 540	15%	63 489	69 051	13%
Other	2 800	0%	2 378	422	0%
<b>Total Malaria</b>	<b>213 072</b>	<b>25%</b>	<b>113 274</b>	<b>99 798</b>	<b>19%</b>
<b>Cross-cutting:</b>					
Other	85 286	10%	45 409	39 877	8%
<b>Total Cross-cutting</b>	<b>85 286</b>	<b>10%</b>	<b>45 409</b>	<b>39 877</b>	<b>8%</b>
<b>TOTAL</b>	<b>858 491</b>	<b>100%</b>	<b>341 946</b>	<b>516 545</b>	<b>100%</b>

## Annex 3 Disbursements to Grantees (by grantee)

Cumulative as at 31 December 2016 (in thousands of US dollars)

Lead grantee	2006-2016	2016	2015	2014	2013	2012	2006-2011
Clinton Foundation HIV/AIDS Initiative (CHAI)	603 899	7 784	12 960	17 069	21 609	61 569	482 907
Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)	239 642	950			20 000	50 000	168 692
UNICEF	249 081			19			249 063
Global Drug Facility (WHO)	202 068			22 280	33 522	11 155	135 111
WHO	134 046	18 279	15 016	14 579	31 084	19 216	35 872
CHAI/UNICEF	57 901	7 126	10 291	24 881	1 055	14 548	
Malaria Consortium	50 052	27 850	10 483	11 719			
PSI	40 546	9 760	16 149	7 750	6 887		
Medicines Patent Pool Foundation	30 241	6 283	4 241	5 474	3 467	5 976	4 799
Médecins Sans Frontières (MSF)	22 008	361	4 087	7 700	9 860		
Partners in Health (PIH)	20 996	11 458	9 538				
Medicines for Malaria Venture (MMV)	20 033	841	8 484	7 289	3 420		
Stop TB Partnership (UNOPS)	19 685	170	19 515				
ESTHER	14 108		877	1 675	4 174	2 889	4 493
IVCC	13 437	13 437					
TB Alliance	13 227	4 949	3 606	1 259	3 412		
Elisabeth Glaser Pediatric AIDS Foundation (EGPAF)	13 151	8 956	4 195				
FIND	11 014	6 845	1 028	1 394	1 747		
I+Solutions	9 280						9 280
DNDi	9 045	2 929	1 171		4 945		
Diagnostics for the real world	8 842	1 713	2 941	4 188			
FEI	5 783	469	2 914	1 360	1 040		
Tides Center (ITPC)	4 876	2 235	1 000	1 641			
London School of Hygiene and Tropical Medicines (LSHTM)	3 971	421	1 935	675	940		
Solthis	3 292	3 292					
Cepheid	3 200					3 200	
Coalition Plus	2 147	1 695	452				
University of New South Wales (UNSW)	1 902	1 902					
Wits RHI	1 671	1 671					
Zyomyx	1 611			1 611			
Daktari Diagnostics	1 208			1 208			
The Burnett Institute	1 079		114	965			
University of Liverpool (UOL)	677	677					
Institut Buisson Bertrand (IBB)	401	401					
Lawyers Collective	355	65	89	117	84		
Other partners	25 121				103	1 186	23 832
WHO Programme Support Costs (prior to current WHO/UTD service administrative arrangement)	3 901						3 901
Disbursements for PPF	1 177	1 177					
<b>Total</b>	<b>1 844 674</b>	<b>143 697</b>	<b>131 086</b>	<b>134 853</b>	<b>147 350</b>	<b>169 739</b>	<b>1 117 950</b>
Return of funds	(71 771)	(11 395)	( 609)	(18 801)	(21 476)	(5 000)	(14 491)
<b>Grand total</b>	<b>1 772 903</b>	<b>132 302</b>	<b>130 477</b>	<b>116 052</b>	<b>125 874</b>	<b>164 739</b>	<b>1 103 459</b>