

# AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 DECEMBER 2021



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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, and its core activity is to fund grants. In addition to HIV/AIDS, tuberculosis, and malaria, Unitaid also researches and identifies new health solutions with potential to alleviate the burden of co-infections (including hepatitis C), cervical cancer, fever management, and reproductive, maternal and child health (RMNCH).

Unitaid plays a unique role in shaping the global response to major diseases by speeding up access to the best available medicines, diagnostics, and approaches. Unitaid monitors the latest advances in science and medicine and helps develop the best ones into workable health solutions for low- and middle-income countries.

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 to HIV, TB, malaria, and maternal and child health challenges, 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) (US\$ 1.6 million in 2021). 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 (US\$ 46 million from 2017-2022), to the Malaria Vaccine Implementation Programme – MVIP (US\$ 13.2 million for 2017-2023) and WHO Oxygen Technical Assistance (US\$ 15 million for 2021).

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.

## 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 12 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); and
- one representative of the World Health Organization (non-voting).

In 2008, Unitaïd's Executive Board formed two committees to guide them in their work, the Finance & Accountability Committee, and the Policy & Strategy Committee. The finances of Unitaïd are overseen by the Finance & Accountability Committee (FAC) of the Executive Board. 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 Policy & Strategy Committee 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.

## Mission and Strategic Goals

Our mission is to:

- Maximize effectiveness of the global health response by catalysing equitable **access to better health products**
- Ambitious global health targets and waning international resources call for a **more effective response**
- Unitaid enables access to **innovative health products and works with partners** to scale up our initiative

We have three strategic objectives:

- **Innovation** – connect innovators who develop better health products with people who need them, using existing commodities in new ways and developing new products and approaches.
- **Access** – overcome barriers to access to innovative health products that can deliver more with less, by leveraging its market expertise and working in partnership.
- **Scalability** – create the right conditions for scale-up so that better health products reach all those who need them, working with partners to ensure that projects scale up successfully through countries and funders.

We have four investment commitments:

- **We strive for equity** – Addressing the needs of the people most affected by diseases.
- **We maximize value for money** – Making the most of every dollar spent.
- **We succeed in partnership** – Working hand in hand with partners to achieve greater impact.
- **We invest in products that impact health systems** – Selecting investments with the most benefit.

## Certification of the financial statements for the year ended 31 December 2021

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 2021. 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 2021, together with the notes to the financial statements and supporting schedules, have been reviewed and approved.

Mr. David Curry

Director of Finance and Administration



11 March 2022

Dr. Philippe Duneton

Executive Director



## Opinion of the External Auditor

### Chapter I

#### INDEPENDENT AUDITOR'S REPORT

##### 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 2021, the statement of financial performance (statement II), 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, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UNITAID as at 31 December 2021, 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 2021, 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

The section on significant accounting policies and the accompanying notes form part of the financial statements. [7](#)



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.

### **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.



**Girish Chandra Murmu**  
**Comptroller and Auditor General of India**

**28 April 2021**

## Statement I. Statement of Financial Position

As at 31 December 2021

(in thousands of US dollars)

	Notes	31-Dec-21	31-Dec-20
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents held by WHO	5.1	465 565	499 452
Short-term investments	5.2	3 513	
Contributions receivable	5.3	127 057	115 062
Staff receivables	5.4	619	508
Other receivables	5.5	33	140
Prepayments	5.6	16	8
Promissory notes receivable	5.8	95 687	
<b>Total current assets</b>		<b>692 490</b>	<b>615 170</b>
<b>Non-current assets</b>			
Guarantee deposits receivable	5.7	593	614
Contributions receivable	5.3	-	104 294
Promissory notes receivable	5.8	133 424	348 649
<b>Total non-current assets</b>		<b>134 017</b>	<b>453 557</b>
<b>TOTAL ASSETS</b>		<b>826 507</b>	<b>1 068 727</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	5.9	19 953	7 514
Staff payables	5.10	12	8
Accrued staff benefits	5.11	1 459	1 310
Accrued liabilities	5.12	6 467	425
Deferred revenue	5.13	116 980	93 509
<b>Total current liabilities</b>		<b>144 871</b>	<b>102 766</b>
<b>Non-current liabilities</b>			
Accrued staff benefits	5.11	21 848	27 873
Deferred revenue	5.13	-	93 509
<b>Total non-current liabilities</b>		<b>21 848</b>	<b>121 382</b>
<b>TOTAL LIABILITIES</b>		<b>166 719</b>	<b>224 148</b>
<b>NET ASSETS/EQUITY</b>			
Fund balance	7	659 788	844 579
<b>TOTAL NET ASSETS/EQUITY</b>		<b>659 788</b>	<b>844 579</b>
<b>TOTAL LIABILITIES AND NET ASSETS/EQUITY</b>		<b>826 507</b>	<b>1 068 727</b>

The section on significant accounting policies and the accompanying notes form part of the financial statements. 9



## Statement II. Statement of Financial Performance

For the year ended 31 December 2021

(in thousands of US dollars)

	Notes	31-Dec-21	31-Dec-20
<b>REVENUE</b>			
Voluntary contributions	6.1	193 591	224 738
In-kind contributions	6.2	52	640
<b>Total revenue</b>		<b>193 643</b>	<b>225 378</b>
<b>EXPENSES</b>			
Disbursements to grantees	6.3	330 784	228 494
Constituency funding	6.4	215	227
Staff and other personnel costs	6.5	23 653	25 159
Contractual services	6.6	6 692	5 314
Travel	6.7	46	268
Equipment and furniture	6.8	82	71
General operating expenses	6.9	1 456	1 207
<b>Total expenses</b>		<b>362 928</b>	<b>260 740</b>
Finance revenue	6.10	(23 768)	33 051
<b>TOTAL (DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(193 053)</b>	<b>(2 311)</b>



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

For the year ended 31 December 2021

(in thousands of US dollars)

	Notes	31-Dec-21	Deficit	Other adjustments (note 5.11)	31-Dec-20
Core Fund		620 555	(179 731)	8 261	792 025
ACT-A Fund		39 232	(13 322)		52 554
<b>TOTAL NET ASSETS/EQUITY</b>	<b>7</b>	<b>659 787</b>	<b>(193 053)</b>	<b>8 261</b>	<b>844 579</b>

## Statement IV. Statement of Cash Flow

For the year ended 31 December 2021

(in thousands of US dollars)

	31-Dec-21	31-Dec-20
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
TOTAL SUPLUS (DEFICIT) FOR THE YEAR	(193 053)	(2 311)
Investment revenue presented as investing activities	(2 497)	
(Increase) decrease in contributions receivable - current	(11 994)	(16 481)
(Increase) decrease in staff receivables	(111)	(144)
(Increase) decrease in other receivables	107	(123)
(Increase) decrease in prepayments	(8)	26
(Increase) decrease in guarantee deposit receivable	21	(58)
(Increase) decrease in contributions receivable – non-current	104 294	82 725
(Increase) decrease in promissory notes receivable	119 538	(49 690)
Increase (decrease) in accounts payable	12 439	7 130
Increase (decrease) in staff payables	4	6
Increase (decrease) in accrued staff benefits - current	149	526
Increase (decrease) in accrued liabilities	6 042	(5 194)
Increase (decrease) in deferred revenue – current	23 471	-
Increase (decrease) in accrued staff benefits - non-current	2 237	5 706
Increase (decrease) in deferred revenue - non-current	(93 509)	(93 510)
<b>Net cash flows from operating activities</b>	<b>(32 871)</b>	<b>(71 392)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment revenue presented as investing activities	2 497	
(Increase) decrease in short-term investments	(3 513)	
<b>Net cash flows from investing activities</b>	<b>(1 016)</b>	
Cash and cash equivalents held by WHO at the beginning of the year	499 452	570,844
<b>CASH and CASH EQUIVALENTS HELD BY WHO AT END OF THE PERIOD</b>	<b>465 565</b>	<b>499 452</b>

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

For the year ended 31 December 2021

(in thousands of US dollars)

### Revenue

	Forecast	Actual	Variance to forecast	Implementation to forecast
Contributions (core)	114 000	108 719	(5 281)	95%
Contributions (ACT-A)	-	84 872	84 872	
In-kind contributions	-	52	52	
<b>Total revenue</b>	<b>114 000</b>	<b>193 643</b>	<b>79 643</b>	<b>170%</b>

### Expenses

#### Operations

	Approved Budget <sup>1</sup>	Actual	Variance to budget	Implementation to budget
<b>Governing Bodies</b>	<b>1 016</b>	<b>662</b>	<b>(369)</b>	<b>64%</b>
Staff Costs <sup>2</sup>	20 516	20 368	(148)	99%
Activities	5 279	4 157	(1 107)	79%
<b>Secretariat</b>	<b>25 795</b>	<b>24 525</b>	<b>(1 532)</b>	<b>95%</b>
Grants (non-disb <sup>3</sup> )	471	129	(342)	27%
BDMI <sup>4</sup>	800	150	(650)	19%
SDIS <sup>5</sup>	1 920	1 625	(295)	85%
<b>Grants, BDMI and SDIS</b>	<b>3 191</b>	<b>1 904</b>	<b>(1 287)</b>	<b>60%</b>
<b>Total operations</b>	<b>30 002</b>	<b>27 091</b>	<b>(2 911)</b>	<b>90%</b>
Actuarial charge		2 015		
ACT-A funded				
-staff	2 250	1 254	(996)	56%
-contractual services		953		
Services in kind		52		
<b>Total operations &amp; other</b>		<b>31 365</b>		

<sup>1</sup> The total 2021 budget approved by the Board was US\$ 32.25 million and split for presentation purpose into two sections: US\$ 30.0 million for core operations and US\$ 2.25 million for ACT-A funded staff as shown on page 2 of Statement V.

<sup>2</sup> Gross payroll and supplement costs.

<sup>3</sup> Costs relating to grants that are not disbursed as part of a signed grant agreement.

<sup>4</sup> Business development and market intelligence.

<sup>5</sup> Strategic development and implementation support. The amount of actual expenditure includes a strategy review consultancy requested by the Executive Board which was not included in the originally approved budget.

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

For the year ended 31 December 2021

(in thousands of US dollars)

### Funds

	Spending ceiling	Actual	Variance to ceiling	Implementation to ceiling
M&E and EVA <sup>6</sup>	2 000	779	(1 221)	39%
Partnerships	300	-	(300)	0%
PPF <sup>7</sup>	1 000	538	(462)	54%
<b>Total funds</b>	<b>3,300</b>	<b>1 317</b>	<b>(1 983)</b>	<b>40%</b>

### Projects

	Forecasted Disbursements <sup>8</sup>	Actual	Variance to forecast	Implementation to forecast
HIV/AIDS	102 825	62 503	(40 322)	61%
Tuberculosis	58 866	59 044	178	100%
Malaria	99 138	82 148	(16 990)	83%
Cross-cutting	102 645	22 343	(80 302)	22%
Covid/ACT-A		109 008	109 008	
Return of funds		(4 800)	(4 800)	
<b>Total projects</b>	<b>363 474</b>	<b>330 246</b>	<b>(33 228)</b>	<b>91%</b>
<b>Total operations &amp; other, funds, projects</b>		<b>362,928</b>		

<sup>6</sup> Monitoring & Evaluation and External Verification Activity

<sup>7</sup> Project Preparation Facility

<sup>8</sup> Forecasted disbursements for 2021 are made against the active portfolio at the end of 2020 using information known at that time – therefore the actual disbursements are not directly comparable to the forecast at the beginning of the year. Disbursements to new grants committed in 2021 as well as adjustments made to the 2021 forecast arising from the final reports received from the grantees in the first quarter of 2021 are also included in the 2021 actuals. The forecasted amount split by the disease areas HIV/AIDS, Tuberculosis, Malaria, Cross-cutting includes the covid/ACT-A component.

## Notes to the financial statements

### 1. Reporting entity

Unitaid is an international organization that invests in innovations to prevent, diagnose and treat HIV/AIDS, tuberculosis and malaria more quickly, affordably and effectively. We also work to improve access to diagnostics and treatment for HIV co-infections such as hepatitis C and human papillomavirus (HPV).

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).



## Materiality<sup>9</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.

## 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.

## 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.

### 3.2. Investments and financial instruments

Financial instruments are recognized from the 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. Investments are classified as being: (i) financial assets or financial liabilities at fair value through surplus or deficit; (ii) held to maturity; or (iii) bank deposits and other receivables. All purchases and sales of investments are recognized on the basis of their trade date.

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<sup>9</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 assets or financial liabilities at fair value through surplus or deficit** are financial instruments that meet either of the following conditions: (i) they are held-for-trading or (ii) they are designated by the entity upon initial recognition at fair value through surplus or deficit.

Financial instruments in this category are measured at fair value and any gains or losses arising from changes in the fair value are accounted for through surplus or deficit and included within the Statement of Financial Performance in the period in which they arise. All derivative instruments, such as swaps, currency forward contracts or options are classified as held-for-trading except for designated and effective hedging instruments as defined under IPSAS 29 (Financial Instruments: Recognition and Measurement). Financial assets in the externally managed portfolios designated upon initial recognition as at fair value through surplus or deficit are classified as current assets or non-current assets according to the time horizon of the investment objectives of each portfolio. If the time horizon is less than or equal to one year, they are classified as current assets, and if it is more than one year, they are classified as non-current assets. Due to the large number of individual securities within each portfolio, at any given time there may be a minority of securities with a maturity profile that is different from the time horizon of the objectives of that portfolio.

**Held-to-maturity investments** are non-derivative financial assets with fixed or determinable payments and fixed maturity dates which WHO has both the intention and the ability to hold to maturity. Held-to-maturity investments are stated at amortized cost using the effective interest rate method, with interest revenue being recognized on an effective yield basis in the Statement of Financial Performance. As at 31 December 2020, no held-to maturity investments were held by the Organization.

**Bank deposits and other receivables** are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accrued revenue related to interest, dividends and pending cash to be received from investments are included herein. Bank deposits and other receivables are stated at amortized cost calculated using the effective interest rate method, less any impairments. Interest revenue is recognized on the effective interest rate basis, with the exception of short-term receivables for which the recognition of interest would be immaterial.

**Other financial liabilities** include payables and accruals relating to investments and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, with the exception of short-term liabilities for which the recognition of interest would be immaterial.

**Hedging foreign exchange exposures on receivables and payables:** Currency exchange risk arises as a result of differences in the exchange rates at which foreign currency receivables or payables are recorded, and the exchange rates at which the cash receipt or payment is subsequently recorded. A currency hedging program is managed by WHO to protect against this foreign currency risk. From 2021, the unrealized and realized gains and losses related to this program are reflected in Unitaïd's financial statements whereas previously, they were only recognized when the account receivable was closed. The financial impact of this change in 2021 is a net finance loss of US\$ 12.4 million.

### **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.

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 relate 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).

### **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. 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.

### **3.6. 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.

### **3.7. 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 and 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 39 (Employee Benefits). Unitaid's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance (Statement II).

### **3.8. 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.

### **3.9. 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.

### **3.10. 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.

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.

### **3.11. 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.

### **3.12. Statement of Cash Flow**

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

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

The Statement of Comparison of Budget and Actual Amounts (Statement V) includes comparison of Board Approved budget amounts for Governing Bodies, Secretariat and operating expenditures, as well as forecast to actual comparisons for revenue, funds and disbursements by disease area.

## **4. Risk Management**

WHO holds Unitaïd'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.

### **COVID-19 risk**

COVID-19 is having economic and financial impacts at global and national levels, and the potential for a long-term global recession as a result of the pandemic is high. It is possible that a significant amount of resources will be channelled to the response at the expense of other priorities, such as those supported by Unitaïd, and discussions with new donors on topics outside COVID-19 may be delayed until the immediate health crisis is under control. COVID-19 is also disrupting planned activities among Unitaïd grant implementers, including those meant to facilitate scale-up, and other donors/programs are currently prioritizing recovery of existing services over scale-up. The uncertain domestic political environment in countries currently funding scale-up activities and implementing partners is also a risk in the short-/mid-term. Furthermore, the net exposure to business continuity risk was increased to High in response to COVID-19.

### **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 reviews the credit ratings of the approved financial counterparties and takes prompt action whenever a credit rating is downgrade

## 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 (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.

As of 31 December 2021, funds managed by WHO were invested as follows:

<i>Cash and cash equivalent held by investment portfolio</i>	4%
Short-term investments	94%
Long-term assets	2%

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

## 5.2. Short-term investments

Short-term investments relating to funds held to finance the implementation of pending health programmes are invested in cash and high-quality short-term government, agency and corporate bonds and time deposits as defined in the approved investment policy. Investments included within "financial assets at fair value through surplus or deficit" include fixed-income securities and derivative instruments held to cover projected liabilities and any unexpected cash requirements. Financial assets in the externally managed portfolios designated upon initial recognition as at fair value through surplus or deficit are classified as short-term investments where the investment time horizon objective of these portfolios is less than or equal to one year. For short-term tactical investment reasons, the external managers of these portfolios may from time to time decide to lengthen temporarily the average duration of these portfolios to slightly longer than one year. This will not change the short-term classification of these financial assets unless the investment time horizon objective of the portfolio and the duration of its benchmark have been changed to more than one year. At the end of 2021, there were no investments in the held-to-maturity portfolio. Other receivables include accrued revenue on investments and receivables from investments that were sold before 31 December 2021 and settled after that date.



### 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 2021.

<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
The Global Fund	-	8 928
France <sup>10</sup>	96 482	104 294
France ACT-A	22 701	-
Italy ACT-A <sup>11</sup>	1 135	-
Spain	1 703	1 840
Spain ACT-A <sup>12</sup>	2 270	-
UNDP	265	-
Wellcome Trust	2 501	-
<b>Total current receivables</b>	<b>127 057</b>	<b>115 062</b>

Non-current receivables are expected to be received more than one year from 31 December 2021.

<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
France <sup>7</sup>	-	104 294
<b>Total non-current receivables</b>	<b>-</b>	<b>104,294</b>

### 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\$ 619 thousand as at 31 December 2021 (US\$ 508 thousand as at 31 December 2020) of which 99.7% relates to education grant advances made to staff for the 2022 portion of the 2021-2022 school year.

<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Education grant advance	617	500
Other	2	8
<b>Total staff receivables</b>	<b>619</b>	<b>508</b>

<sup>10</sup> Unitaïd has a multi-year contribution commitment from France for 2020-2022 to receive €85 million (US\$ 93.5 million) per year for a total of €255 million (US\$ 280.5 million); payment of which is normally made in June of each commitment year.

<sup>11</sup> The amount receivable from Italy ACT-A was received in full on 24 January 2022

<sup>12</sup> The amount receivable from Spain ACT-A was received in full on 4 January 2022.

### **5.5. Other receivables**

Other receivables 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.

### **5.8. Promissory notes receivable**

In accordance with Amendments No.3, 2015, No.4, 2018 and No.5, 2019 to the Donor Administrative Agreement with the United Kingdom (covering the 2015-2017 and 2018-2020 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; US\$ 95.7 million is a current receivable and US\$ 133.4 million is a non-current receivable. Encashment of these notes becomes possible at the point in which Unitaid's cash balance goes below US\$ 500 million at the end of the financial year (31<sup>st</sup> December). In the year ended 31 December 2021 Unitaid encashed a Promissory Note One with the amount of GBP 88 million (US\$ 121 million).

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**

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.

### **5.10. Staff payables**

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

### 5.11. 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).

<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Accrued staff benefits - current		
Terminal Payments	1 443	1,304
Special Fund for Compensation	3	2
After Service Health Insurance	13	4
<b>Total accrued staff benefits - current</b>	<b>1 459</b>	<b>1 310</b>
Accrued staff benefits - non-current		
Terminal Payments	1 659	1 511
Special Fund for Compensation	442	384
After Service Health Insurance	19 747	25 978
<b>Total accrued staff benefits - non-current</b>	<b>21 848</b>	<b>27 873</b>
<hr/>		
<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Accrued staff benefits		
Terminal Payments	3 102	2 815
Special Fund for Compensation	445	386
After Service Health Insurance	19 760	25 982
<b>Total accrued staff benefits</b>	<b>23 307</b>	<b>29 183</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 2021) estimated the full terminal payment liability to be US\$ 3.102 million compared to US\$ 2.815 million as at 31 December 2020. 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\$ 1.79 million (short-term liability, US\$ 0.131 million; long-term liability, US\$ 1.659 million) compared to US\$ 1.616 million as at 31 December 2020 for terminal entitlements, and US\$ 1.3 million (US\$ 1.2 million as at 31 December 2020) 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 2021 defined benefit obligation for the Staff Health Insurance based on personnel data and payment experience provided by Unitaid/WHO. As at 31 December 2021, the defined benefit obligation amounted to US\$ 30.1 million (US\$ 34.6 million in 2020) of which 34% was funded, but not committed.

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\$ 445 thousand at 31 December 2021 (US\$ 386 thousand as at 31 December 2020).

## 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 (DBO)</b>			
Defined Benefit Obligation as at 31 December 2020	1 616	34 245	386
Service cost	223	2 990	70
Interest cost	33	68	4
Actual gross benefit payments for 2021	(88)	(34)	-
Actual administrative expenses	-	(3)	-
Actual contributions by participants	-	20	-
Plan amendments	-	-	-
(Gain)/Loss on DBO due to financial assumption changes	7	(3,164)	11
(Gain)/Loss on DBO due to other assumption changes	(1)	(4,381)	(26)

<b>Defined Benefit Obligation as at 31 December 2021</b>	<b>1 790</b>	<b>29 741</b>	<b>445</b>
<b>Reconciliation of Assets</b>			
Assets as at 31 December 2020 (gross of IBNP reserve)	-	8 592	-
Actual gross benefit payments for 2021	(88)	(986)	-
Actual administrative expenses	-	(71)	-
Organization Contributions during 2021	88	679	-
Participant Contributions during 2021	-	1 388	-
Net transfer to cover WHO-PAHO/PAHO deficit for 2021	-	-	-
Interest on Net SHI Assets for 2021	-	18	-
Asset Gain (Loss)	-	727	-
<b>Assets as at 31 December 2021</b>	<b>-</b>	<b>10 347</b>	<b>-</b>
<b>Reconciliation of Incurred-But-Not-Paid Reserve</b>			
Incurred-But-Not-Paid Reserve at 31-12-2020	-	326	-
Interest On Incurred-but-Not-Paid Reserve for 2021	-	1	-
(Gain)/Loss on Incurred-But-Not-Paid Reserve	-	26	-
<b>Incurred-But-Not-Paid Reserve at 31 December 2021</b>	<b>-</b>	<b>353</b>	<b>-</b>
<b>Net Assets on WHO-Geneva's Books (Gross Assets Minus IBNP Reserve at 31 December 2021)</b>	<b>-</b>	<b>9 994</b>	<b>-</b>
<b>Reconciliation of Funded Status</b>			
Defined benefit obligation			
Active	1 790	26 138	334
Inactive	-	3 603	111
Incurred-But-Not-Paid Reserve	-	353	-
Total defined benefit obligation	1,790	30 094	445
Plan Assets			
Gross plan assets	-	(10 347)	-
Offset for 470.1 Reserve	-	353	-
Total plan assets	-	(9 994)	-
Deficit (Surplus)	1 790	19 747	445
<b>Net Liability (Asset) Recognized in Statement of Financial Position</b>	<b>1 790</b>	<b>19 747</b>	<b>445</b>
Current	131		3
Non-current	1 659	19 747	442
<b>Net Liability (Asset) Recognized in Statement of Financial Position</b>	<b>1 790</b>	<b>19 747</b>	<b>445</b>
Annual expense for 2021			
Service cost	223	2 990	71
Interest cost	33	51	4
Remeasurements	6	-	-
Past Service (Credit)/Cost			
<b>Total Expense Recognized in Statement of Financial Performance</b>	<b>262</b>	<b>3 041</b>	<b>75</b>
<b>Actuarial Loss recognised in Net Assets/Equity</b>		<b>8 246</b>	<b>15</b>
<b>Sensitivity analysis</b>			<b>US\$ thousands</b>
<b>31 December 2021 defined benefit obligation</b>			
Current medical inflation assumption minus 1%			20 979
Current medical inflation assumption			30 094
Current medical inflation assumption plus 1%			42 826
Current discount rate assumption minus 1%			41 450
Current discount rate assumption			30 094
Current discount rate assumption plus 1%			22 290

## 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 2020, the organization performed a full valuation to estimate the liabilities. Normally, a full evaluation is done every three years.

<b>Measurement date</b>	
All plans:	31 December 2020
<b>Discount rate</b>	
Terminal payments (other than accrued leave):	The weighted-average discount rate used is 2.1% (decrease from 3.0% in the prior valuation). Based on the projected benefit payments with weights of 100% on the Aon AA Above Median Curve outside of Switzerland. The resulting discount rate is rounded to the nearest 0.1%.
Staff health insurance:	Europe, 0.2% (decrease from 0.6% in prior valuation); the Americas, 2.9% (decrease from 3.5% in prior valuation); Other Countries, 2.7% (decrease from 3.7% in prior valuation); Europe UNAIDS, 0.2% (decrease from 1.8% in prior year).  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 U.S. dollars, based on the approximate liability mix for each grouping of offices and the following yield curves. These curves were prescribed by the United Nations. for use in its retiree medical valuations, based on consultations with Aon: Switzerland—SIX Swiss Exchange curve, Euro Zone—iBoxx Euro Zone curve, and the United States— Aon Hewitt AA Above Median curve.  The discount rates for the 31 December 2020 valuation are based on the geographic locations of the offices, as described in the “Regional groupings for all purposes except claims costs” below. The resulting rate is rounded to the nearest 0.1%.
Special Fund for Compensation:	The weighted-average discount rate used is 1.1% (decrease from 1.6% in the prior valuation). Based on the combined projected benefit payments with weights of 25% on the Aon AA Above Median Curve outside of Switzerland and 15% on the SIX Swiss Exchange yield curve for Switzerland and 60% on the iBoxx Euro Zone curve. The resulting discount rate is rounded to the nearest 0.1%.
Accident and Illness Insurance:	The weighted-average discount rate used is 0.0% (decrease from 0.4% in the prior valuation). Based on the combined projected benefit payments with weights of 30% on the Aon AA Above Median Curve outside of Switzerland and 70% on the SIX Swiss Exchange yield curve for Switzerland. 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 2.0%. 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 1.1%, the Americas 2.0% and Other Countries 1.9%. 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%), the rest of Europe (1.4%) and 2.0% for the United States, with the result rounded to the nearest 0.1%.  For Europe claims region, a weighting of 67% Switzerland and 33% Euro zone is used, with results rounded to the nearest 0.1%. For the Americas and other Countries claims regions, a 100% weighting of the United States inflation rate is used.
Special Fund for Compensation:	The weighted-average inflation rate used is 1.5%. 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 1.0%. 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:	Includes merit/promotional increases, plus 0.5% static increases for general inflation, plus productivity growth.
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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, headquarters, which are grouped as Europe; the Regional Office for the Americas 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 (IBNP).
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 (IBNP).
Staff health insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

**Accrued leave**

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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 (IBNP).
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**

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Terminal payments (other than accrued leave):	These benefits are considered termination benefits under IPSAS 39 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 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. The World Health Organization and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the World Health Organization’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, the World Health Organization has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. The World Health Organization’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 using the Open Group Aggregate Method. 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.



The World Health Organization'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.

The latest actuarial valuation for the Fund was completed as of 31 December 2019, and the valuation as of 31 December 2021 is currently being performed. A roll forward of the participation data as of 31 December 2019 to 31 December 2020 was used by the Fund for its 2020 financial statements.

The actuarial valuation as of 31 December 2019 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 144.2% (139.2% in the 2017 valuation). The funded ratio was 107.1 (102.7% in the 2017 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 2019, 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 (2018, 2019 and 2020) amounted to US\$ 7 993.15 million.

During 2021, contributions paid to the Fund amounted to US\$ 4.0 million (2020 US\$ 3.8 million). Expected contributions due in 2022 are approximately US\$ 4.4 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 publishes quarterly reports on its investments, and these can be viewed by visiting the Fund at [www.unjspf.org](http://www.unjspf.org).

#### **5.12. Accrued liabilities**

Accrued liabilities consist of expenses that have been incurred during 2021 but remain to be paid. As of 21 February 2022, US\$ 6.0 million (of the US\$ 6.5 million total accrued liabilities) has been paid.

#### **5.13. Deferred revenue**

Deferred revenue on voluntary contribution includes a three-year agreement (total of €255 million or US\$ 280.5 million) signed in 2019 with France (2020-2022) for which the revenue recognition has been deferred to future financial periods. First tranches for 2020 and 2021 contribution were received in June 2020 and June 2021 respectively. The balance on voluntary contributions of €85 million or US\$ 93.5 million for 2022 is recorded as current deferred revenue. Also included in the deferred revenue are contributions of €20 million or US\$ 23.3 million from France for ACT-A and US\$ 161 thousand from UNDP as reimbursement of costs for a staff loan.

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

### Revenue

#### 6.1. Voluntary contributions (core, non-core and ACT-A 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 countries and grants from the Bill and Melinda Gates Foundation and the Wellcome Trust. In the year ended 31 December 2021 Unitaid received commitments for nine contributions through the ACT-A mechanism. Refer to Schedule III for information on voluntary contributions received since 2006.

<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
<i>Contributions from core donors:</i>		
Bill & Melinda Gates Foundation	10 000	10 000
Brazil	2 408	2 031
France	93 509	93 509
Japan	-	1 000
Norway	1 099	2 942
Republic of Korea	-	5 000
Spain	1 703	1 792
United Kingdom	-	44 059
<b>Total contributions from core donors</b>	<b>108 719</b>	<b>160 333</b>
<i>Contributions from non-core donors:</i>		
The Global Fund	-	11 851
<b>Total contributions from core and non-core donors</b>	<b>108 719</b>	<b>172 184</b>
<i>Contributions from ACT-A:</i>		
Canada	11 867	-
France	11 628	11 948
Germany	23 420	-
Italy	1 135	-
Japan	8 937	-
Norway	15 473	39 606
Portugal	142	-
Republic of Korea	-	1 000
Spain	2 270	-
Wellcome Trust	10 000	-
<b>Total ACT-A contributions</b>	<b>84 872</b>	<b>52 554</b>
<b>Total voluntary contributions</b>	<b>193 591</b>	<b>224 738</b>

## 6.2. In-kind / in-service contributions

In 2021 Unitaid received an in-service contribution from France for staff services relating to ACT-A in the amount of US\$ 52 thousand.

## 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>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Disbursements to grantees	335 046	231 281
Disbursements to grantees - PPF	538	278
Return of funds	(4 800)	(3 065)
<b>Total Projects</b>	<b>330 784</b>	<b>228 494</b>

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 2021 as compared to 2020 are broken down by area as follows:

<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
HIV/AIDS	62 503	86 587
TB	59 044	38 488
Malaria	82 148	48 917
Cross-cutting	22 343	25 257
Covid	109 008	32 032
<b>Total Projects</b>	<b>335 046</b>	<b>231 281</b>

### 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 who 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>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Salary costs	21 500	19 455
Actuarial costs	2 015	5 336
Other personnel costs	138	368
<b>Total staff and other personnel costs</b>	<b>23 653</b>	<b>25 159</b>

## 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>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Contractual services	4 629	2 961
Contractual services provided by WHO	2 063	1 713
In-kind contractual services	-	640
<b>Total consulting and contractual services</b>	<b>6 692</b>	<b>5 314</b>

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

<i>in US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Administrative services	1 807	1 540
Legal services	159	161
Audit	97	12
<b>Total consulting services provided by WHO</b>	<b>2 063</b>	<b>1 713</b>

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>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
<b>Total travel</b>	<b>46</b>	<b>268</b>

## 6.8. Equipment and furniture

Total expenses for 2021 were US\$ 82 thousand (US\$ 71 thousand for 2020). 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 2021 no equipment or furniture purchases have 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>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
General operating expenditures	317	257
Rent	1 139	950
<b>Total general operating expenditures</b>	<b>1 456</b>	<b>1 207</b>

## 6.10. Finance revenue

Finance revenue includes the following:

<i>in thousands of US dollars</i>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Investment revenue	2 497	10 357
Net realized foreign exchange gains or (losses)	(2 247)	(4 488)
Net unrealized foreign exchange gains or (losses)	(23 975)	27 308
Actuarial revaluation gains or (losses) on Terminal Payments Fund	(6)	(83)
Actuarial interest cost related to valuation of Terminal Payments Fund and Special Fund for Compensation	(37)	(43)
<b>Total financial revenue and costs</b>	<b>(23 768)</b>	<b>33 051</b>

Investment revenue includes an interest allocation calculated on monthly average cash balances held by WHO in trust for Unitaid, which for 2021 amounted to US\$ 2.5 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 2021 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>				
<b>Currency forward sold<sup>13</sup></b>		<b>Currency forward bought</b>	<b>Net unrealized gain/(loss) as at 31.12.2021</b>	<b>Net realized gain/(loss) as at 31.12.2021</b>
Euro	85 000	99 956	3 504	(7 794)
Pound sterling	258 000	353 873	(339)	(8 416)
<b>Total</b>		<b>453 829</b>	<b>3 165</b>	<b>(16 210)</b>

<sup>13</sup> Amount in currency corresponds to the last hedging transaction in September 2021.

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 2021 mid-term progress reports made US\$ 228 657 as of 30 June 2021.

## 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 as at 31 December 2021 total US\$ 659.8 million. The projected balance of funds to be paid against approved grant agreements is an estimated US\$ 364.1 million as detailed in Note 10.

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

In December 2020, at EB37, the Unitaid Executive Board adopted resolution n°3 approving an operating budget of US\$ 32.25 million for the 2021 calendar year. In August of each year, as part of the exercise to set the next year’s budget, a review is undertaken by the Secretariat in order to forecast expected spend through the end of the year against the current year’s approved budget.

Variances from budget during 2021 arose mainly due to the continued COVID-19 pandemic, resulting in an overall implementation to the approved operating budget of 91% vs the implementation to budget of 87% in 2020.

## 9. Related parties and other senior management disclosures

### a) Key management personnel

Staff members considered as key management personnel (KMP) includes the Executive Director, the Chief of Staff, the Deputy Executive Director and the Senior Management Team (Operations, Strategy, Results, External Relations, Finance and Administration, and Legal).

Number of individuals	Compensation & post adjustment	Entitlements	Pension & health plans	Total remuneration to 31-Dec-21
9	1 812	295	514	2 621



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 well as US\$ 34.3 million for 2021-2025 period approved in November 2020. As at 31 December 2021 the amount disbursed to MPPF from Unitaid is US\$ 60.0 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 2021, the active grant portfolio was US\$ 1.48 billion with cumulative disbursements against these commitments totaling US\$ 1.11 billion. The value of future disbursements to active grants and the funding approved for new projects by the EB at December 2021 is estimated at US\$ 364.1 million as detailed below.

<i>in thousands of US dollars</i>	
<b>2022</b>	202 901
<b>2023</b>	64 490
<b>2024</b>	23 549
<b>2025</b>	10 845
<b>Committed funds on closing projects/reserve</b>	62 341
<b>Total commitments</b>	<b>364 126</b>

The total commitments of US\$ 364.1 million are split into core and covid as US\$ 330.3 million and US\$ 33.8 respectively.

In May 2018, Unitaid signed a ten-year lease agreement with the Global Fund for renting office space at the Global Health Campus. After the amendment of the rent agreement on 1 December 2021 the future annual minimal 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),
- Shared services – CHF 431 thousand (US\$ 471 thousand).

## **11. Future revenue**

At 31 December 2021 Unitaid holds the following multi-year agreements:

- EUR 85 million (or US\$ 96 million) per year from France for 2020-2022.

## **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 2021, 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 2021, Unitaid expects to receive US\$ 5 million contribution from the Republic of Korea as outlined in the multi-year commitment letter for 2019-2021. In addition, Unitaid recognizes two reimbursements of funds for projects SFH STAR and RTSs estimated in the amounts of US\$ 969 thousand and US\$ 240 thousand, respectively.

## **13. Events after reporting date**

Unitaid's reporting date is 31 December 2021. On the date of the signing of these accounts, no material events, favorable or unfavorable, 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.

## Schedule I. Annual Financial Position

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

	2021	2020	2019	2018	2017
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents held by WHO	465 565	499 452	570 844	665 621	753 210
Short-term investments	3 513				
Contributions receivable - current	127 056	115 062	98 581	2 465	598
Staff receivables	619	508	364	463	283
Other receivables	33	140	17	7	-
Prepayments	16	8	34	292	410
Promissory notes receivable	95 687				
<b>Total current assets</b>	<b>692 687</b>	<b>615 170</b>	<b>669 840</b>	<b>668 848</b>	<b>754 501</b>
<b>Non-current assets</b>					
Contributions receivable – non-current	-	104 294	187 019	-	-
Promissory notes receivable	133 424	348 649	298 959	167 067	118 438
Guarantee deposit receivable	593	614	556	724	176
<b>Total non-current assets</b>	<b>134 017</b>	<b>453 557</b>	<b>486 534</b>	<b>167 791</b>	<b>118 614</b>
<b>TOTAL ASSETS</b>	<b>826 507</b>	<b>1 068 727</b>	<b>1 156 374</b>	<b>836 639</b>	<b>873 115</b>

## Schedule I. Annual Financial Position (continued)

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

	2021	2020	2019	2018	2017
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	19 953	7 514	384	577	1 626
Staff payables	12	8	2	230	4
Accrued staff benefits - current	1 459	1 310	784	798	749
Accrued liabilities	6 467	425	5,619	15 109	30 078
Deferred revenue - current	116 980	93 509	93 509	-	-
<b>Total current liabilities</b>	<b>144 871</b>	<b>102 766</b>	<b>100 298</b>	<b>16 714</b>	<b>32 457</b>
<b>Non-current liabilities</b>					
Accrued staff benefits – non-current	21 848	27 873	17 236	11 648	13 322
Deferred revenue - non-current		93 509	187 019	-	-
<b>Total non-current liabilities</b>	<b>21 848</b>	<b>121 382</b>	<b>204 255</b>	<b>11 648</b>	<b>13 322</b>
<b>TOTAL LIABILITIES</b>	<b>166 719</b>	<b>224 148</b>	<b>304 553</b>	<b>28 362</b>	<b>45 779</b>
<b>NET ASSETS</b>					
Fund balance	659 788	844 579	851 821	808 277	827 336
<b>TOTAL NET ASSETS</b>	<b>659 788</b>	<b>844 579</b>	<b>851 821</b>	<b>808 277</b>	<b>827 336</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>826 507</b>	<b>1 068 727</b>	<b>1 156 374</b>	<b>836 639</b>	<b>873 115</b>

## Schedule II. Annual Financial Performance

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

	2021	2020	2019	2018	2017
<b>OPERATING REVENUE</b>					
Voluntary contributions	193 591	224 738	249 003	190 664	254 491
In-kind contributions	52	640	-	-	-
<b>TOTAL OPERATING REVENUE</b>	<b>193 643</b>	<b>225 378</b>	<b>249 003</b>	<b>190 664</b>	<b>254 491</b>
<b>OPERATING EXPENSES</b>					
Disbursements to grantees	330 784	228 494	214 794	189 374	195 786
Constituency funding	215	227	366	365	260
Staff and other personnel costs	23 653	25 159	17 603	16 603	15 210
Contractual Services	6 692	5 314	6 406	5 840	7 256
Travel	46	268	1 292	1 816	1 556
Equipment and furniture	82	71	120	221	97
General operating expenses	1 456	1 207	1 445	2 110	1 022
<b>TOTAL OPERATING EXPENSES</b>	<b>362 928</b>	<b>260 740</b>	<b>242 026</b>	<b>216 329</b>	<b>221 187</b>
Finance revenue	(23 768)	33 051	42 260	4 901	17 309
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>(193 053)</b>	<b>(2 311)</b>	<b>49 237</b>	<b>(20 764)</b>	<b>50 613</b>

### Schedule III. Operating Revenue – Voluntary Contributions

Cumulative as at 31 December 2021 (in thousands of US dollars)

	2006 -2021	2021	2020	2019	2018	2017	2006-2016
<i>Core donors:</i>							
Bill & Melinda Gates Foundation	150 000	10 000	10 000	10 000	10 000	10 000	100 000
Brazil	128 482	2 408	2 031	4 013	7 602	22 107	90 321
Chile	36 543			-	1 500	1 500	33 543
France	2 087 792	93 509	93 509	94 550	105 477	95 333	1 605 414
Japan	2 000		1 000	1 000	-	-	-
Norway	196 567	1 099	2 942	2 315	2 342	4 860	183 009
Republic of Korea	69 000		5 000	5 000	4 000	4 000	51 000
Spain	85 695	1 703	1 792	-	-	597	81 603
United Kingdom	830 398		44 059	113 407	57 217	116 094	499 621
Other donors <sup>14</sup>	23 488		-	-	-	-	23 488
<b>Total core-donor contributions</b>	<b>3 609 965</b>	<b>108 719</b>	<b>160 333</b>	<b>230 285</b>	<b>188 138</b>	<b>254 491</b>	<b>2 667 999</b>
<i>Other contributions:</i>							
	2006 -2021	2021	2020	2019	2018	2017	2006-2016
The Global Fund	33 000		11 851	18 723	2 426	-	-
UNOSSC	95			(5)	100	-	-
<b>Total other contributions</b>	<b>33 095</b>	<b>-</b>	<b>11 851</b>	<b>18 718</b>	<b>2 526</b>	<b>-</b>	<b>-</b>
<b>Total core and non-core contributions</b>	<b>3 643 060</b>	<b>108 719</b>	<b>172 184</b>	<b>249 003</b>	<b>190 664</b>	<b>254 491</b>	<b>2 667 999</b>

<sup>14</sup> 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 2021 (in thousands of US dollars)

	2006 -2021	2021	2020	2019	2018	2017	2006-2016
<i>ACT-A contributions:</i>							
Canada	11 867	11 867		-	-	-	-
France	23 576	11 628	11 948	-	-	-	-
Germany	23 420	23 420		-	-	-	-
Italy	1 135	1 135		-	-	-	-
Japan	8 937	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		-	-	-	-
<b>Total ACT-A contributions</b>	<b>137 426</b>	<b>84 872</b>	<b>52 554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total voluntary contributions</b>	<b>3 780 486</b>	<b>193 591</b>	<b>224 738</b>	<b>249 003</b>	<b>190 664</b>	<b>254 491</b>	<b>2 667 999</b>