United Nations

United Nations Population Fund

Financial report and audited financial statements

for the year ended 31 December 2024

and

Report of the Board of Auditors

General Assembly
Official Records
Eightieth Session
Supplement No. 5H

General Assembly
Official Records
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A/80/5/Add.8

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Report of the Board of Auditors

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Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Letters of transmittal

Letter dated 30 April 2025 from the Executive Director of the United Nations Population Fund addressed to the Chair of the Board of Auditors

Pursuant to financial rule 116.3 (b) of the United Nations Population Fund, I have the honour to submit the financial statements of the Fund for the year ended 31 December 2024, which I hereby approve.

(*Signed*) Natalia **Kanem**
Executive Director

Letter dated 23 July 2025 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and audited financial statements of the United Nations Population Fund, for the year ended 31 December 2024.

(*Signed*) Pierre **Moscovici**
First President of the French Cour des comptes
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Opinion

We have audited the financial statements of the United Nations Population Fund (UNFPA), which comprise the statement of financial position (statement I) as at 31 December 2024 and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flows (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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UNFPA as at 31 December 2024 and its financial performance and cash flows 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 and the International Standards of Supreme Audit Institutions. 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 UNFPA, 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

UNFPA management is responsible for the other information, which comprises the financial report for the year ended 31 December 2024, contained in chapter IV below, 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

UNFPA 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, UNFPA management is responsible for assessing the ability of UNFPA to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless management intends either to liquidate UNFPA 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 UNFPA.

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 UNFPA;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(d) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of UNFPA 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. However, future events or conditions may cause UNFPA to cease to continue as a going concern;

(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

In our opinion, the transactions of UNFPA 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 Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of UNFPA.

(*Signed*) Pierre **Moscovici**
First President of the French Cour des comptes
Chair of the Board of Auditors

(*Signed*) Vital **do Rêgo Filho**
President of the Brazilian Federal Court of Accounts
(Lead Auditor)

(*Signed*) **Hou** Kai
Auditor General of the People's Republic of China

23 July 2025

Chapter II
Long-form report of the Board of Auditors

Summary

The United Nations Population Fund (UNFPA) is the United Nations entity focused on sexual and reproductive health, gender equality and population data. It is mandated to ensure every pregnancy is wanted, every childbirth is safe and every young person's potential is fulfilled. It supports global development and humanitarian efforts, especially for women and girls.

The Board of Auditors has completed the audit of UNFPA for the financial year ended 31 December 2024. The interim audit was conducted both remotely and onsite at headquarters in New York from 9 September to 1 November 2024, at the Supply Chain Management Unit in Copenhagen from 21 October to 6 December 2024 and at the East and Southern Africa Regional Office in Johannesburg, South Africa, and the Ethiopia country office from 20 January to 21 February 2025. The final audit visit was conducted both remotely and onsite at headquarters in New York from 7 April to 21 May 2025.

Audit opinion

In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of UNFPA as at 31 December 2024 and its financial performance and cash flows for the year then ended, in accordance with IPSAS.

Overall conclusion

The Board did not identify significant errors, omissions or misstatements in its review of the financial records of UNFPA for the year ended 31 December 2024. However, the Board noted scope for improvement in the areas of supply chain management, contributions, fixed assets management, implementing partners, value-added tax recovery and information and communications technology (ICT). With total revenue of $1,635.49 million, due mainly to an increase of 25 per cent in earmarked contribution, and expenses of $1,528.01 million during 2024, the financial performance reflected a surplus of $107.48 million. The overall financial position of UNFPA remained sound, with current assets more than seven times current liabilities and total assets more than nine times total liabilities.

Key findings

The Board's key findings are as follows:

Weaknesses in the governance, risk and compliance framework within the Supply Chain Management Unit

The Board observed that the governance, risk and compliance framework within the Supply Chain Management Unit had outdated policies, lacked a fully developed planning framework and did not include strategy implementation workplans with aligned key performance indicators. In addition, risk management lacked a structured process for risk identification, assessment, response and monitoring. Furthermore, there was no formalized process or tool mapping to document workflows or identify manual activities that could be automated.

Weaknesses in lead time management within the Supply Chain Management Unit

The Board noted that, following the discontinuation of previous reporting practices, no lead time statistics were produced in 2023 and, in 2024, the reporting of some indicators started only in the second semester. In that regard, it was observed that there were no reliable solutions to evaluate supplier performance, which has an impact on lead time, using data from Quantum. Lastly, the lead time management within the Supply Chain Management Unit was fragmented; each area independently managed its own internal activities.

Deficiencies in the analysis of the existence, registration and control of donor agreements' conditional clauses

It was noted that 99 per cent of more than 1,000 donor agreements in force during the 2024 financial year lacked documented analysis of conditional clauses that determine the timing of revenue recognition. The absence of a standardized and documented approach for analysing conditional clauses in all agreements may result in agreements with conditional clauses being accounted for in a manner that is not consistent with the recognition criteria prescribed by applicable standards.

Weakness in information and communications technology project management

The Board observed inconsistent adherence to the ICT project management methodology, with key project documentation, such as project plans and risk assessments, missing or incomplete for critical projects. The Information Technology Department relied on decentralized spreadsheets that frequently lacked essential information and posed coordination challenges. Furthermore, the absence of well-defined key performance indicators and standardized metrics limited management's ability to capture delays, monitor resource allocation and assess project performance.

Inconsistencies in documentation and system records for cash transfers to implementing partners

The Board noted that the documentation and system registration for cash transfers to implementing partners did not consistently meet established policy requirements. The Board identified numerous transactions in 2024 with missing or incomplete funding authorization and certificate of expenditure forms, absent supporting documentation and poor-quality records. In several cases, key documents were uploaded only after audit inquiries, suggesting a lack of compliance with internal procedures and weak enforcement of documentation protocols. These deficiencies hinder the traceability and assurance of expenditure and pose risks to the effectiveness of internal controls and compliance with the harmonized approach to cash transfer framework.

Main recommendations

On the basis of the audit findings, the Board recommends that UNFPA:

Weaknesses in the governance, risk and compliance framework within the Supply Chain Management Unit

(a) **Finalize and formalize the Supply Chain Management Unit's planning framework and integrate it into each pillar and team;**

(b) **Create a Supply Chain Management Unit risk and oversight model aligned with the organization-wide enterprise risk management framework and tailored to the supply chain's unique needs;**

(c) **Generate a process map for the Supply Chain Management Unit that includes tools that are currently available and tools that are needed;**

Weaknesses in lead time management within the Supply Chain Management Unit

(d) **Formalize lead time management within the Supply Chain Management Unit by enhancing coordination and systematically monitoring processes through indicators that provide reliable information to evaluate the performance of processes and suppliers, enabling informed decisions that lead to shorter and more accurate lead times;**

Deficiencies in the analysis of the existence, registration and control of donor agreements' conditional clauses

(e) **Establish a standardized and documented procedure for analysing, recording and controlling conditional clauses for all signed donor agreements, including an appropriate documented review process by the Finance Branch to ensure compliance of the accounting transactions with applicable standards;**

Weakness in information and communications technology project management

(f) **Ensure adherence to the ICT project management methodology;**

(g) **Establish a centralized mechanism for controlling and monitoring ICT projects and develop specific indicators and metrics to consistently track progress, resource allocation and overall performance;**

Inconsistencies in documentation and system records for cash transfers to implementing partners

(h) **Enforce mandatory compliance checks in QuantumPlus to ensure that funding authorization and certificate of expenditure forms, itemized cost estimates and expense reports are uploaded and validated prior to transaction approval;**

(i) **Introduce a periodic reconciliation mechanism to identify transactions missing mandatory documentation and to ensure that corrective action is taken promptly.**

Follow-up of previous recommendations

The Board verified the status of implementation of previous years' recommendations up to the period ended 31 December 2023. Of the 49 outstanding recommendations, UNFPA had implemented 19 (39 per cent), 24 (49 per cent) were under implementation and 6 (12 per cent)had not been implemented.

Key facts

$506.70 million	UNFPA budget for development and management, United Nations development coordination and special purpose activities
$1,635.49 million	Total revenue
$1,528.01 million	Total expenses
$107.48 million	Surplus for the year
155	Countries served by UNFPA
1,573	Implementing partners working with UNFPA
2,562	UNFPA local staff
1,008	UNFPA international staff
$451.74 million	Total spent by implementing partners in 2024 for delivery of programme activities on behalf of UNFPA
$1,076.27 million	Expenses in activities implemented directly by UNFPA in 2024

A. Mandate, scope and methodology

1. The United Nations Population Fund (UNFPA) fulfils a leading role in the United Nations system in promoting population programmes. It is mandated to build the knowledge and capacity necessary to respond to needs in population and family planning; to promote public awareness on population problems in both developed and developing countries and to provide possible strategies to deal with population problems in the forms and means best suited to the needs of individual countries.

2. The Board of Auditors has audited the financial statements of UNFPA and has reviewed its activities for the year ended 31 December 2024, in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations, as well as the International Standards on Auditing and the International Standards of Supreme Audit Institutions. In line with those standards, the Board is required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

3. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of UNFPA as at 31 December 2024 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS). This included an assessment as to whether the expenses recorded in the financial statements had been incurred for the purposes approved by the governing body and whether revenue and expenses had been properly classified and recorded in accordance with the UNFPA Financial Regulations and Rules.

4. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

5. The Board also reviewed the operations of UNFPA under financial regulation 7.5 of the Financial Regulations and Rules of the United Nations, which allows the Board to make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of UNFPA operations.

6. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with UNFPA management, whose views have been appropriately reflected in the report.

B. Findings and recommendations

1. Follow-up of previous recommendations

7. The Board verified the status of implementation of previous years' recommendations for the period ended 31 December 2023. Of the 49 outstanding recommendations, UNFPA had implemented 19 (39 per cent), 24 (49 per cent) were under implementation and 6 (12 per cent) had not been implemented. Details of the status of implementation of the recommendations are presented in the annex to chapter II and in table II.1.

Table II.1
Status of implementation of previous recommendations

Report	*Recommendations pending as at 31 December 2023*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Recommendations pending as at 31 December 2024*
A/75/5/Add.8, chap. II (2019)	1	1	–	–	–	–
A/76/5/Add.8, chap. II (2020)	1	–	1	–	–	1
A/77/5/Add.8, chap. II (2021)	2	2	–	–	–	–
A/78/5/Add.8, chap. II (2022)	13	5	5	3	–	8
A/79/5/Add.8, chap. II (2023)	32	11	18	3	–	21
Total number of recommendations	**49**	**19**	**24**	**6**	–	**30**

8. From the pending recommendations, the Board noted that:

(a) nine (30 per cent) related to supply management;

(b) eight (27 per cent) related to humanitarian response;

(c) six (20 per cent) related to Quantum implementation;

(d) four (13 per cent) related to audit and oversight;

(e) two (7 per cent) related to contributions;

(f) one (3 per cent) related to ICT.

9. With regard to the ageing of the above-mentioned 30 outstanding recommendations:

(a) 1 (3 per cent) has been pending for more than 4 years;

(b) 8 (27 per cent) have been pending for 2 years;

(c) 21 (70 per cent) were issued 1 year ago.

10. The Board acknowledges the efforts made by UNFPA to implement outstanding recommendations. While progress has been noted, the Board encourages UNFPA to further accelerate its implementation efforts, in particular concerning the recommendation issued in 2020, which remains pending after more than four years. The recommendation was to incorporate preventive controls related to inventory information into the new enterprise resource planning system in order to provide early alerts at each stage of the supply process. However, its implementation has been delayed owing to ongoing technical challenges.

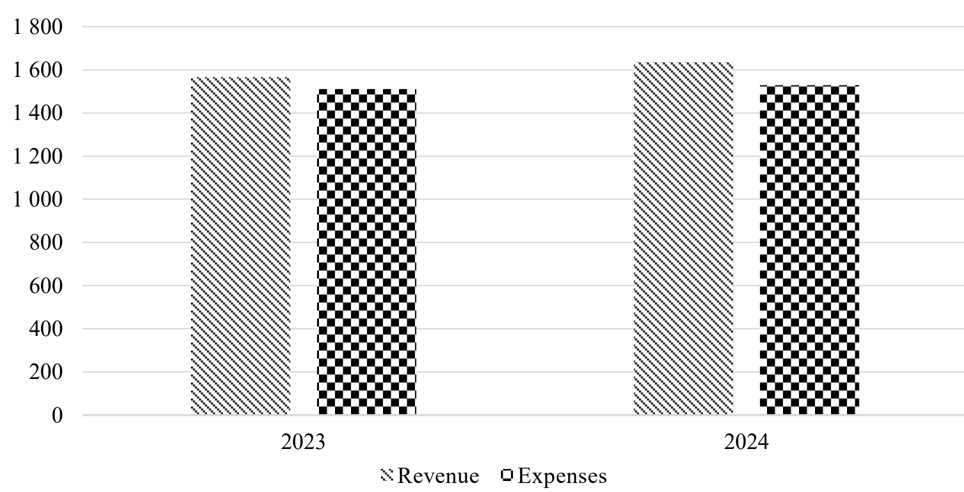
11. In reference to the recommendations that had not yet been implemented, which relate to supply chain management policy, the Oversight Advisory Committee, oversight and traceability of the agreements, automatic procurement controls in Quantum and the monitoring of field offices, UNFPA cited ongoing technical work, interdepartmental coordination efforts and the need to align with future guidance from the Executive Board that is expected to be issued between 2025 and 2026 as grounds for non-implementation.

2. Financial overview

Operating results

12. In 2024, UNFPA reported total revenue of $1,635.49 million (2023: $1,565.29 million) and total expenses of $1,528.01 million (2023: $1,510.42 million), representing a surplus of $107.48 million (2023: $54.87 million), as shown in figure II.I. The higher surplus reflects a 25.1 per cent increase in earmarked contributions and a more moderate rise in expenses, supported by slight reductions in costs related to reproductive health supplies, the development and training of counterparts, and operational materials, offset in part by increases in staff and other expenses.

Figure II.I
Revenue and expenses of the United Nations Population Fund for 2023 and 2024
(Millions of United States dollars)

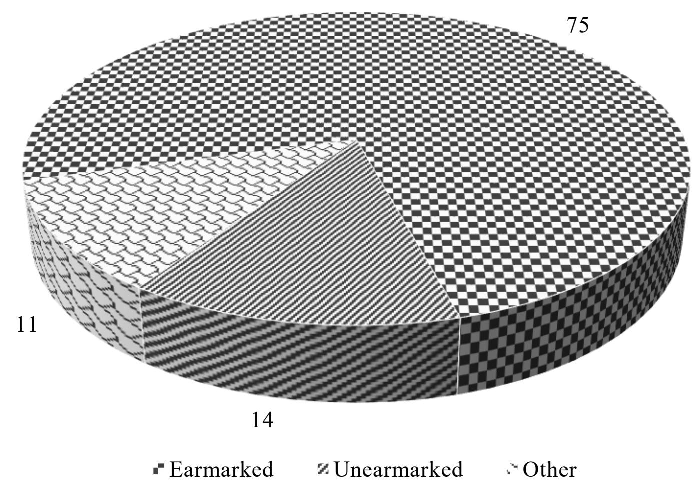


Source: Board analysis of UNFPA financial statements for the years ended 31 December 2023 and 2024.

13. Earmarked contributions, which represent 75 per cent of total revenue, as shown in figure II.II, reached $1,269.61 million (2023: $1,015.14 million), an increase of $254.47 million (25.1 per cent), due mainly to an increase in the number of contribution agreements signed, and unearmarked contributions amounted to $231.07 million (2023: $364.14 million), a decline of $133.07 million (36.5 per cent),

attributable to the change in accounting policy for revenue recognition implemented in 2022. In line with IPSAS, revenue is recognized in full upon the signing of an agreement, unless the contribution is subject to specific conditions. Many donors who enter into multi-year agreements do so either at the end of the year preceding the first year of the UNFPA strategic plan or during its initial year of implementation. Other revenue totalled $192.22 million (2023: 222.65 million), representing a decrease of $30.46 million (13.7 per cent).

Figure II.II
Revenue distribution, by nature, in 2024[a]
(Percentage)



Source: Board's analysis of UNFPA financial statements for the year ended 2024.
[a] These revenue amounts are gross and do not include the deduction by refunds to donors, allowances for doubtful contributions receivable and transfers to other revenue of income tax reimbursements.

14. Total expenses amounted to $1,528.01 million in 2024 (2023: $1,510.42 million). Doubtful accounts expenses and write-offs of operating fund advances, other receivables, and loss on inventories increased to $15.50 million (2023: $2.33 million). Staff expenses rose by $29.37 million (7.7 per cent), reaching $409.75 million (2023: $380.38 million), which can be attributed to the recruitment of new staff, the 1.0 per cent reduction in the global vacancy rate and salary enhancements for positions in country offices.

Ratio analysis

15. Upon analysing the primary financial ratios of UNFPA, the Board observed a slight drop in various ratios in 2024 compared with 2023. The decrease can be attributed to the growth in total liabilities, driven primarily by an increase in current liabilities, such as accounts payable and accruals, and employee benefits. Conversely, the increase in total assets, although slight, has limited the decrease in the ratios.

16. On the basis of the analysis of the Fund's liquidity situation through ratios, UNFPA capacity to fulfil its current obligations with existing assets remains robust.

Table II.2
Ratio analysis

Description of ratio	*31 December 2024*	*31 December 2023*
Current ratio		
Current assets: current liabilities	7.10	7.54
Solvency ratio		
Total assets: total liabilities	5.53	5.61
Cash ratio		
Cash + current investments: current liabilities	3.81	3.65
Quick ratio		
Cash plus current investments plus current contributions receivable plus other receivables: current liabilities	6.45	6.58

Source: Board analysis of UNFPA financial statements for the period ended 31 December 2024 and 31 December 2023.

3. Supply Chain Management Unit

17. The Supply Chain Management Unit plays a pivotal role in ensuring accurate supply planning and the timely delivery of essential supplies for the organization's humanitarian and reproductive health programmes. Between 2023 and 2024, more than $500 million in supplies were delivered to more than 140 countries as part of the Unit's operations. The Unit operates within a set of internal regulations established by UNFPA, including an internal control framework policy that has been in effect since 2016, which is based on the three lines model[1] established by the Institute of Internal Auditors.

18. As at 31 December 2024, the Supply Chain Management Unit comprised four pillars: (a) resilience and capacity development, which focuses on assessing supply needs, consolidating procurement plans and building capacity in countries; (b) supply operations, which handles the strategic sourcing, procurement and logistics of supplies; (c) supply chain quality management, which is responsible for governance, risk, compliance and reporting activities and for ensuring the quality of products and services; and (d) support services, which provides the infrastructure necessary to operate effectively, including financial management, inventory accounting, human resources and (ICT) support.

19. The policy and procedures on management of programme supplies, last revised in March 2021, are outdated and fail to address governance and structural changes implemented since the Unit's establishment in 2022. The Board recommended a comprehensive policy update in its 2022 report on UNFPA (see A/78/5/Add.8)but the Unit plans to implement that recommendation by 2026.

Weaknesses in the governance, risk and compliance framework within the Supply Chain Management Unit

20. The Supply Chain Management Unit is responsible for providing oversight of and guidance to supply chain management functions at UNFPA, as defined in its 2024 terms

[1] The three lines model, previously known as the three lines of defence model, is a governance framework that clarifies roles and responsibilities for risk management and control. It distinguishes between operational management (first line), risk and compliance management (second line) and internal audit (third line), promoting accountability, collaboration and independent assurance.

of reference. A critical aspect of its role is establishing a governance, risk and compliance framework to ensure effective management of supply chain activities.

21. In the UNFPA strategic plan, 2022–2025, there is emphasis on results-based management and comprehensive planning and there are calls for units, including the Supply Chain Management Unit, to develop plans with indicators and targets. In the UNFPA oversight policy, issued in 2015, management responsibility for setting up governance, risk management processes is assigned and an internal control framework to ensure efficiency, effectiveness and integrity is set out. The enterprise risk management framework (2022) contains guidance on identifying, assessing, evaluating, treating and monitoring risks affecting UNFPA objectives.

22. In 2024, the Supply Chain Management Unit was finalizing the approval and issuance of its strategy for the period 2024–2029. However, as at December 2024, the Unit and its pillars operated without formalized workplans, objectives or key performance indicators to monitor performance effectively. The country support team, which is responsible for supporting the last mile assurance process, utilized a spreadsheet listing operational tasks, parties responsible and completion dates as a planning tool, which was referenced only at the start of the year. Similarly, the sourcing and planning teams did not use any key performance indicators to assess performance systematically.

23. The Unit lacked a formal and documented process for identifying, assessing and responding to risks, notwithstanding efforts to develop a project brief on the implementation of the enterprise risk management process in Supply Chain Management Unit. While specific risk factors had been preliminarily identified, there was no evidence of any project milestones having been achieved or defined, or any actionable frameworks implemented. In addition, the Unit had not yet integrated the UNFPA enterprise risk management policy, approved in March 2022, into its operations, notwithstanding being formally designated as responsible for conducting risk assessments in the enterprise risk management calendar for 2022–2023.

24. Moreover, process mapping across supply chain management activities remained incomplete. The outdated policy and procedures on management of programme supplies did not reflect the current structural and operational realities, leaving workflows undefined. The Supply Chain Management Unit had not conducted a comprehensive mapping of the governance tools required for its operations, notwithstanding it being a requirement in the Unit’s terms of reference.

25. Management stated that the recent realignment and phased structuring of the Supply Unit, initiated in 2022 and completed in October 2024, might have contributed to delays in establishing a comprehensive governance, risk and compliance framework and formalized processes. This was confirmed as correct during the audit. Further delays were incurred as a result of the gradual establishment of the governance, risk and compliance team and the late appointment of leadership positions.

26. The combination of those factors may result in operational gaps that could hinder the Supply Unit’s ability to provide effective oversight. They could lead to inefficiencies, operational disruptions, financial losses and compliance risks, ultimately affecting the ability of UNFPA to deliver critical supplies to beneficiaries and, therefore, to fulfil its mandate.

27. The Board considers that, to address the identified gaps, it is essential that the governance, risk and compliance framework be formalized and operationalized, policies be updated and all pillars and teams have a formal planning process integrated into them, with key performance indicators to ensure effective monitoring and alignment with strategic objectives.

28. A risk and oversight model tailored to the specific requirements of supply chain management should be developed and aligned with UNFPA enterprise risk management. This model may establish robust mechanisms for the systematic identification and assessment of and response to risks, enabling proactive management of the unique challenges of such operations. Moreover, mapping processes and the identification of tools currently used and those that are needed are critical steps in documenting workflows, addressing inefficiencies and facilitating the adoption of automated systems.

29. **The Board recommends that UNFPA finalize and formalize the Supply Chain Management Unit's planning framework and integrate it into each pillar and team.**

30. **The Board recommends that UNFPA create a Supply Chain Management Unit risk and oversight model aligned with the organization-wide enterprise risk management framework and tailored to the supply chain's unique needs.**

31. **The Board recommends that UNFPA generate a process map for the Supply Chain Management Unit that includes tools that are currently available and tools that are needed.**

32. UNFPA accepted the recommendations.

Weaknesses in lead time management within the Supply Chain Management Unit

33. In 2024, UNFPA transferred supplies worth approximately $241 million, primarily for reproductive health. Lead time, a macro indicator composed of several more specific subindicators, drawing on data from multiple areas, is a crucial metric to assess the organization's ability to deliver goods and services efficiently and on time, fulfilling the UNFPA mandate.

34. In the UNFPA procurement procedures effective as from 15 June 2019, lead time is defined as "the time between the date the procurement focal point receives a defined, quantified and funded procurement request from the programme or operations personnel and the date the goods or services are delivered". Its purpose is to expedite the purchasing process. In addition, in the policy and procedures on management of programme supplies, the implementation of monitoring and control systems that affect lead time is called for in order to ensure oversight. Under the Supply Chain Management Unit's terms of reference, the chief of the Unit is responsible for ensuring effective coordination across the supply chain functions and implementing policies and procedures that promote timely delivery and operational visibility.

35. The Board observed that no lead time statistics were reported in 2023 owing to the discontinuation of prior reporting practices. In 2024, as an initial stage, the reporting of some indicators started in July.

36. Notwithstanding the critical role of vendors in ensuring timely product availability, in 2023, vendor assessments were absent for the most part. Vendor assessments were provided only for a specific request from the Office of Audit and Investigation Services in its audit on pre-positioning. However, those assessments were inadequately conducted owing to uncertainties regarding the dates of procurement requests and the dates of delivery of goods or services, which were not available through Quantum. Furthermore, the Supply Chain Management Unit sourcing team reported that there were no reliable solutions for evaluating supplier performance using data from 2023 and 2024 in Quantum.

37. The Board noted that lead time management within the Supply Chain Management Unit was fragmented, with each area managing its internal activities

independently, lacking coordination to evaluate lead time comprehensively. There was no systematic monitoring of the variables that constituted lead time, which impeded the generation of consistent reports and assessments.

38. The root causes for the challenges in lead time management are threefold: internal disorganization arising from the creation and restructuring of the Supply Chain Management Unit; the haphazard transition to Quantum; and, most significantly, the absence of formalized and updated supply chain management policies and procedures.

39. Migration to Quantum systems brought changes in reports, control points and the development of new key performance indicators, creating challenges in workflows and control tasks. Several critical areas influenced by these changes have a direct impact on the lead time, including planning, sourcing, logistics and last-mile assurance.

40. The Board considers that the issues could cause control failures and inefficiencies in the supply chain, resulting in delays, increased costs and inefficiencies that ultimately affect the ability of UNFPA to deliver essential supplies to beneficiaries in a timely manner. Effective coordination among all involved areas, including planning, sourcing, logistics and last-mile assurance, is essential for evaluating lead time cohesively and systematically, enabling the generation of reliable reports and the implementation of targeted action to address failures and mitigate risks.

41. The Board is of the view that the first step towards achieving coordination and establishing an effective monitoring system is the establishment of formalized lead time management standards, which are currently lacking. Once these standards are in place, coordination across areas would enable the organization to collect and analyse more reliable lead time data. These data, in turn, would support the development and implementation of effective measures to reduce lead time, thereby improving operational efficiency and service delivery.

42. **The Board recommends that UNFPA formalize lead time management within the Supply Chain Management Unit by enhancing coordination and systematically monitoring processes through indicators that provide reliable information to evaluate the performance of processes and suppliers, enabling informed decisions that lead to shorter and more accurate lead times.**

43. UNFPA accepted the recommendation.

Weaknesses in data quality and follow-up mechanisms within the last-mile assurance process

44. The last-mile assurance process was established as a key mechanism under UNFPA policy and procedures on management of programme supplies to ensure "visibility and assurance regarding the adequate safeguarding, management, and use for intended purposes of programme supplies after their handover".

45. The UNFPA oversight policy (2015), Supply Chain Management Unit terms of reference (2024), and the guidance notes for the last mile assurance process define the Unit's responsibilities, thereby ensuring effective oversight.

46. With regard to risk management, the UNFPA enterprise risk management policy and the High-level Committee on Management reference maturity model for risk management (2019) provide guidance on relevant frameworks and practices. Such frameworks include a high-risk appetite for deliveries, which, as stated in the UNFPA risk appetite statement (2022), should be mitigated by providing additional resources

to minimize risk in key operational areas and by strengthening controls to minimize potential fiduciary impacts.

47. The Board observed that discrepancies between data reported in the quarterly stock reviews and findings from the in-country assessments were reported by the country support team in 2 of the 41 countries required to conduct such assessments. Furthermore, 39 out of the 93 eligible implementing partners did not submit the required survey for the risk assessment in 2023, notwithstanding concerted follow-up efforts by the country support teams. Consequently, these implementing partners were automatically classified as high risk for the fraud and insurance categories, thereby triggering enhanced control measures, such as the in-country assessments, even in cases in which such rigorous oversight may not have been strictly necessary.

48. Gaps were identified in the formalized escalation mechanisms related to the last-mile assurance. The Supply Chain Management Unit presented the escalation mechanisms for product losses above a threshold defined in the policy and procedures on management of programme supplies, but stated that those mechanisms, along with the penalties established in the policy and procedures for implementing partner review and sanctions, issued in 2021, were unsuitable for effectively addressing such issues. This is because the mechanisms are primarily punitive in nature and the measures involved, such as suspending the supply of goods to a country, could have a negative impact on populations. For example, in line with current policy, failure by implementing partners to submit risk assessment questionnaires could lead to supply interruptions, even when the root causes of that failure are not fully understood or may be beyond the partners' control. Therefore, Unit management affirmed that non-punitive strategies with more supportive measures would be appropriate.

49. Furthermore, the Board noticed that the last-mile assurance process lacked formal, documented procedures for analysing and addressing issues, such as discrepancies and findings, identified in quarterly stock reviews and in-country assessment reports. The current risk assessment model within the last-mile assurance process is focused solely on risk identification and assessment; there is no scope for risk response strategies such as avoidance, mitigation, transfer or acceptance.

50. The Board deems that the root causes of the aforementioned issues include a reliance on manual and paper-based systems in some countries, a lack of personnel in the country offices who are qualified to handle last-mile assurance-related tasks effectively and outdated policies regarding implementing partner oversight within the supply chain. Consequently, data inconsistencies might occur, negatively affecting the reliability of reports and making it difficult for UNFPA to make informed decisions regarding the management of programme supplies.

51. In addition, the lack of formalized follow-up processes could result in identified issues not being consistently tracked or addressed, leading to delays in implementation or the absence of, corrective action. Such a gap might cause the country offices to resort to ad hoc measures to address problems. Consequently, the assurance of an efficient and reliable supply chain may be compromised.

52. The current risk assessment model, which is focused solely on risk identification and assessment without including response strategies, may limit the ability of UNFPA to proactively respond to threats to the supply chain. Moreover, introducing formalized escalation mechanisms that appropriately balance supportive and corrective action would help to ensure accountability while respecting the specific constraints of each region.

53. The Board concludes that establishing guidance notes for a structured follow-up mechanism with defined responsibilities and timelines would also ensure consistent corrective action, ultimately improving the reliability and effectiveness of programme

supply management, enhancing governance, reducing operational inefficiencies and building greater trust among stakeholders in UNFPA processes.

54. **The Board recommends that UNFPA strengthen supply chain systems to improve the quality, completeness and timeliness of data submission within the last-mile assurance process by providing capacity-building initiatives to address identified weaknesses in last-mile assurance reports and establishing escalation mechanisms that balance supportive and corrective action to ensure accountability while considering regional constraints.**

55. **The Board recommends that UNFPA enhance the supply chain management risk model within the last-mile assurance process to include a structured risk response strategy, considering timelines and assigned responsibilities for each identified risk.**

56. **The Board recommends that UNFPA establish guidelines for the follow-up process within the last-mile assurance process for addressing identified problems and implementing corrective action, with clearly defined timelines, assigned roles and specified responsibilities.**

57. UNFPA accepted the recommendations.

Weaknesses in the Supply Chain Management Unit planning process

58. Goods to be provided by UNFPA must be identified based on rigorous needs assessments and quantifications through the development of multi-year forecasts conducted at least annually and coordinated with relevant partners and stakeholders. Moreover, the identification and prioritization of reproductive health commodities must be based on comprehensive national-level supply plans, considering factors such as current and desired stock levels, incoming shipments, order lead times and existing resources and commitments (policy and procedures on management of programme supplies).

59. The Supply Chain Management Unit planning team is responsible for developing standard operating procedures and tools for demand and supply planning and providing technical guidance to regional and country offices in the area of national consensus-driven reproductive health commodity forecasting, quantification, validation and order prioritization. The team is also responsible for reviewing and validating procurement plans, ensuring alignment with forecasts, available resources, supply plans and distribution plans (terms of reference, 2024).

60. The regional offices are responsible for providing oversight for compliance issues in procurement on the basis of data and reports. They provide support to country offices in planning, implementation and reporting in line with policies and procedures issued by headquarters. They are responsible for developing regional adaptations of templates for protocols, standards and other normative documents in substantive programme areas for regional use. In addition, the regional offices are required to participate in the decision on the overall allocation of institutional budget within the region.

61. The Board observed weaknesses in the supply quantification and prioritization processes. Responsibilities assigned in the outdated procurement procedures policy referred to areas that no longer existed owing to restructuring across the Supply Chain Management Unit. The quantification and prioritization processes in the Unit were therefore neither fully nor formally addressed.

62. Although guides and external manuals were available to assist country offices in forecasting and needs assessments, there was no formal document mandating their

use, nor any evidence to demonstrate that the Unit had been verifying adherence to those guides and manuals.

63. The processes employed by the Unit were insufficient to ensure accurate supply quantification because no data on forecasting accuracy were used and no attempt was made to verify whether country offices had fully followed all UNFPA criteria for proper quantification. In addition, the tools used by the East and Southern Africa Regional Office to review and validate supply planning lacked the structure necessary to ensure full compliance with those criteria.

64. Within the existing normative framework of UNFPA, there is no policy or guidance that adequately addresses the consolidation and prioritization of supply plans. In addition, the documentation related to procurement procedures was outdated and there was no standard operating procedure in place to establish a formal methodology for reviewing and validating the Unit's procurement plans.

65. Likewise, there was no standard operating procedure or technical guideline formally defining the criteria and methodologies for the East and Southern Africa Regional Office to conduct reviews and validations of supply and procurement plans submitted by countries within its jurisdiction. The procurement procedures policy was not only outdated, but also provided only general guidelines for the regional review of procurement plans, leaving a regulatory gap regarding the procedures to be applied. This situation makes for unclear procedures, which may lead to inconsistent practices and misalignment with organizational standards.

66. The Board finds that the long-standing absence of a dedicated unit for supply chain management within UNFPA prior to the establishment of the Unit in 2022 has likely contributed to the lack of formalized procedures and guidelines. This scenario introduces risks of improper quantification and could lead to demand failures, resulting in inadequate supply and procurement plans, overpurchasing or underpurchasing, resource wastage and delays in the delivery of goods and services, hindering the ability of UNFPA to achieve its objectives and fulfil its mission.

67. The Board concludes that a normative framework that encompasses the development of necessary guidelines, standard operating procedures and technical guidance for formalizing the processes for reviewing and validating supply planning, as well as an information technology tool that supports standardized and systematized review and validation processes, is essential to ensure the accuracy and reliability of the supply planning process.

68. **The Board recommends that UNFPA strengthen the supply chain governance framework by developing and implementing standardized and documented methodologies (with defined criteria, procedures and responsibilities) for the forecast, quantification, prioritization, review and validation of supply needs and for procurement plans processes, supported by appropriate information technology tools.**

69. UNFPA accepted the recommendation.

Lack of formalized procedures to promote economies of scale

70. Under the procurement procedures policy, UNFPA must establish the promotion of savings, economies of scale, and efficiency through a comprehensive procurement strategy that is aligned with its organizational goals. In the policy, there is emphasis on leveraging economies of scale by utilizing the grouping of quantities and the volume effect to ensure price effectiveness and reduce administrative costs, thereby enhancing savings and conforming to the principle of open international competition by minimizing transaction costs and preventing fund mismanagement.

71. Furthermore, as recommended in the guidelines for common United Nations procurement at the country level, UNFPA is encouraged to collaborate with external partners and other United Nations entities to improve procurement efficiency by pooling requirements, sharing standardized procedures and establishing joint long-term agreements, therefore reducing duplication of effort, achieving cost savings and enhancing the overall effectiveness of procurement activities.

72. Given that the Supply Chain Management Unit is responsible for the centralized procurement of essential products, including contraceptives, medical devices, equipment and pharmaceuticals, it aims to leverage the organization's purchasing power to negotiate competitive prices through long-term agreements.

73. The Board identified a lack of specific and formalized procedures within the Unit for effectively promoting the maximization of savings, the achievement of economies of scale and the enhancement of efficiency in procurement activities, as well as a lack of formalized procedures for calculating the resulting savings.

74. The Board is of the view that clear procedures for evaluating and reporting savings are essential for quantifying and communicating the benefits of procurement strategies. The absence of standardized methodologies for achieving and assessing economies of scale hamper the effective use of bulk purchasing, disrupt team alignment and result in missed opportunities for cost-efficiency across various areas, including logistics.

75. The Board deems that this context limits the organization's ability to accurately capture and communicate the benefits of its procurement strategies. This deficiency may undermine efforts to demonstrate value, justify procurement decisions and build confidence in the organization's overall approach to achieving economic efficiencies.

76. **The Board recommends that UNFPA establish comprehensive guidelines within the Supply Chain Management Unit to enhance economies of scale in purchasing and logistics, aligned with the UNFPA policy and regulatory framework for supply planning, and implement a standardized methodology for calculating savings to ensure that all reported figures are accurate and verifiable.**

77. UNFPA accepted the recommendation.

Lack of monitoring and oversight for the management of pre-positioned supplies

78. In order to ensure rapid and effective humanitarian responses, UNFPA pre-positions essential supplies, in particular particularly for sexual and reproductive health and gender-based violence services, so that they can be delivered quickly in the early days of a crisis, reducing delays and mitigating excess morbidity and mortality among vulnerable populations. In 2024, such pre-positioned supplies were budgeted at $25 million.

79. In accordance with UNFPA policy and procedures on management of programme supplies, the Finance Branch inventory team is responsible for inventory accounting and control activities and for the generation of management reports on the effectiveness of supply chain management activities. In line with the UNFPA risk control matrix, the Finance Branch is responsible for several control activities defined as the second line.[2]

80. The Board observed that the oversight and monitoring of global pre-positioned stock were not addressed in full in the Supply Chain Management Unit structure.

[2] In accordance with the framework established by the Institute of Internal Auditors, the second line comprises functions that provide oversight and support for risk management by setting standards, offering guidance and monitoring the effectiveness of internal controls. These functions help to ensure consistency, compliance and risk mitigation across the organization.

The lack of formalized second line control activities could be attributed to the newness of the Unit; the was established in 2022 and its structural and operational set-up finalized in 2024.

81. Given that no transitional solution was in place detailing the activities and controls that should have been carried out and implemented for the global pre-positioning of supplies, the only formal means of regulating activities since the establishment of the Unit has been the terms of reference, which do not include any details on processes, activities or controls. Consequently, while the first line function (day-to-day operations) of the management of global pre-positioned supplies has been being performed by pillar 2 of the Unit, the second line function for this process has not been formalized in full.

82. The oversight and monitoring of global pre-positioned stock remained under discussion owing to the ongoing transition of responsibilities from the Finance Branch to the Supply Chain Management Unit. Only the oversight and monitoring of field office inventory activities, previously performed by the Branch, had been effectively absorbed by pillar 4 in the new Unit structure. The Unit had failed to provide evidence of systematic monitoring of its mandatory policy key performance indicators or of any informal indicators, goals or milestones related to global pre-positioned supplies.

83. In addition, the Unit had not detailed in its draft strategy for the period 2024–2029 how oversight and monitoring activities, which should be categorized as second line under enterprise risk management, would be addressed, notwithstanding identifying risks and challenges related to global pre-positioning.

84. The Board concludes that these issues may lead to unclear direction and poor coordination among Unit teams, resulting in tasks being unfulfilled or performed ineffectively and potentially leading to failure to carry out second line activities as intended in the enterprise risk management and internal control framework. Ultimately, the reported deficiency could result in supply shortages during emergencies and delays in the provision of services to other entities through the third-party procurement process.

85. The Board deems that a comprehensive review of responsibilities that includes clear role definitions, segregation of duties and detailed process maps and flowcharts would enhance accountability. In addition, establishing a dedicated oversight and monitoring function that is supported by milestones and key performance indicators to measure progress towards achieving Unit goals would ensure more efficient and effective management of the global pre-positioning of supplies.

86. **The Board recommends that UNFPA establish a dedicated oversight and monitoring function to ensure the efficiency, effectiveness and accountability of the management of global pre-positioned stock operations.**

87. UNFPA accepted the recommendation.

Weaknesses in the East and Southern Africa Regional Office’s oversight and results monitoring framework

88. Regional offices play a key role in the UNFPA oversight model, ensuring effective monitoring of programme implementation and results across the region. They provide technical, operational and programmatic support to country offices and oversee compliance with UNFPA policies, as mandated in the East and Southern Africa Regional Office terms of reference (2015).

89. In the UNFPA strategic plan, 2022–2025, the regional offices are assigned the responsibility of overseeing the development, implementation, monitoring and

evaluation of regional programmes. According to annex 4.6 to the strategic plan, the East and Southern Africa Regional Office should monitor programme implementation by using high-quality data and periodic review meetings. In the strategic plan, there is emphasis on the need for corrective measures to address bottlenecks and for the development of acceleration plans where implementation gaps are identified.

90. In order to support country offices and monitor programme performance, the East and Southern Africa Regional Office implemented several oversight mechanisms, including the last-mile assurance process, portfolio reviews, evaluations and capacity-building initiatives. Through those mechanisms, the Regional Office gathered data on programme implementation and assessed key performance indicators. In addition, the Regional Office provided technical support to country offices in enhancing supply chain management and improving overall programme effectiveness.

91. As part of its oversight role, the East and Southern Africa Regional Office supervised last-mile assurance activities, including the supply chain overview, quarterly stock reviews, risk assessments and in-country assessments. It also actively participated in field missions. However, a comprehensive and structured approach to prioritizing findings, determining root causes, strengthening capacities, supporting corrective action and monitoring implementation and impact was lacking.

92. The East and Southern Africa Regional Office maintained a system to track capacity-building strategies and their implementation. However, notwithstanding workshops, meetings and training sessions being conducted in 2023 and 2024, no formalized plan existed and initiatives remained largely ad hoc and demand driven.

93. The portfolio review served as an oversight tool to monitor key performance indicators and identify potential implementation challenges in country offices. However, the tool lacked a structured process for consolidating and analysing progress at the regional level and ensuring alignment with the strategic plan.

94. Although acceleration plans are defined in annex 4.6 to the strategic plan as a key tool to address bottlenecks and gaps in programme implementation, the East and Southern Africa Regional Office had not developed any such plans. While oversight mechanisms were in place to identify challenges, no structured process existed to translate the findings of those mechanisms into targeted corrective action. Consequently, gaps and bottlenecks identified through various monitoring efforts were not systematically addressed within a consolidated and strategic approach.

95. The Board identified three root causes of weaknesses in East and Southern Africa Regional Office oversight and the results monitoring framework: (a) lack of coordination among the various areas within the Regional Office; (b) inadequate knowledge management tools and processes to ensure visibility and structured treatment of recurring issues; and (c) absence of a standardized model for prioritizing findings and defining corrective action.

96. In conclusion, the Board considers that implementing structured acceleration plans would strengthen the East and Southern Africa Regional Office oversight and results monitoring framework by ensuring that identified gaps and bottlenecks are systematically addressed. These plans should include, first, a comprehensive diagnosis of challenges based on consolidated oversight data to identify systemic issues and inefficiencies. Corrective action should then be prioritized to allocate resources to the most critical areas, including targeted capacity-building initiatives to strengthen country offices’ capabilities. Lastly, a structured follow-up mechanism, in which roles, responsibilities and timelines for tracking implementation and measuring impact are clearly defined, is essential to ensure accountability.

97. **The Board recommends that the UNFPA East and Southern Africa Regional Office develop structured acceleration plans that include a comprehensive**

diagnosis of challenges, bottlenecks and gaps based on consolidated information from oversight mechanisms; the prioritization of corrective actions and targeted capacity-building initiatives; and a structured follow-up mechanism to ensure accountability.

98. UNFPA accepted the recommendation.

Misalignment of the risk register in the Ethiopia country office

99. The UNFPA enterprise risk management policy provides a structured framework for identifying, assessing and managing risks that may affect the organization's ability to achieve its strategic and operational objectives.

100. The first step in the enterprise risk management process is risk identification: heads of office are required to identify additional risks relevant to the situation analysis or local context, beyond those already included in the customized risk register. This process ensures that the risk register accurately reflects the challenges and conditions specific to each country.

101. It is stated in the policy that risk management is a dynamic process requiring continuous engagement from various stakeholders to ensure that risks, including emerging threats and opportunities, are effectively managed in an evolving environment. Similarly, the country office terms of reference (2015) specify that the country office is responsible for identifying, assessing, responding to and monitoring risks through an annual risk review.

102. The Board found that the risk register of the Ethiopia country office did not fully reflect the risks identified in other governance, risk and compliance processes, such as the country programme document for Ethiopia (2025–2030) and the Joint Risk Framework for the United Nations in Ethiopia. Moreover, some risks included in the register were too broad and did not adequately capture key aspects of the threats that those risks represented. In addition, some probability and impact scores assigned in the risk register did not align with those determined in other assessments.

103. For example, the recent armed conflict between the Government of Ethiopia and the Tigray People's Liberation Front led to severe humanitarian consequences. Other governance risk documents had also identified other regions, including Amhara, Oromiya and Binshangul Gumuz, as having a high risk of emerging conflicts.

104. However, in its probability and impact assessment, the Ethiopia country office failed to consider the potential for new conflicts in other regions, focusing solely on the impact of the existing conflict in Tigray. In addition, both the impact and probability scores for this risk were rated as 3 (moderate). By contrast, the Joint Risk Framework for the United Nations in Ethiopia classified the risk of "significant escalation of intra-regional and/or inter-regional insecurity and conflict (Amhara)" as having a high likelihood and high impact. Moreover, the wording of the risk included in the risk register ("risk to delivering results in emergencies or humanitarian and fragile contexts") was inadequate because it described an objective ("delivering results") rather than the actual threat.

105. The Board identified a similar issue regarding the "risk of not being able to meet established funding targets". The country office's probability justification focused solely on challenges in international humanitarian funding. However, in the foresight analysis for the country programme document for Ethiopia (2025–2030), the lack of domestic funding was identified as a primary financial risk for UNFPA in Ethiopia. this notwithstanding, the risk was assigned a probability score of 1 (insignificant) in the risk register.

106. Furthermore, some risks identified in other assessments were absent from the register. The Board noted that the Ethiopia country office had not proposed any additional specific risks beyond those selected from the catalogue, including economic risks, such as inflation, currency devaluation and foreign currency shortages, and public health risks, such as epidemics and disease outbreaks (e.g. cholera, malaria and measles). Although those risks were highlighted in multiple assessments and strategic analyses, they, along with factors such as weak healthcare infrastructure and limited immunization coverage that heightened the likelihood and impact of large-scale health crises, were not reflected in the risk register.

107. Notably, the country office had not conducted any review of the risk register since its initial development in 2023, although there were several governance, risk and compliance processes that identified and assessed risks in a more updated and comprehensive manner.

108. The Board deems that the misalignment of the risk register stemmed from both internal factors within the Ethiopia country office and structural issues related to the UNFPA enterprise risk management policy.

109. Failure to regularly update the risk register on the basis of evolving conditions could have several consequences for the effectiveness of risk management and operational decision-making. First, the absence of critical risks may lead to inadequate preparedness and response measures, increasing the organization's vulnerability to unforeseen disruptions. Second, inconsistencies in risk statements and scoring may result in ineffective mitigation strategies, given that resources could be allocated on the basis of an incomplete or inaccurate understanding of the most pressing threats. Third, the lack of alignment with broader United Nations risk assessments, such as the Joint Risk Framework for the United Nations in Ethiopia, may limit coordination with other agencies and partners, reducing the overall efficiency of risk mitigation efforts.

110. The Board considers that improving the Ethiopia country office's risk register would strengthen risk management by enabling a more accurate and comprehensive assessment of threats to UNFPA operations. In addition, a systematic review of impact and probability scores is essential to ensure that risk prioritization reflects current operational realities. The Board encourages UNFPA to assess, as appropriate, the applicability of these enhancements to other country offices on the basis of their specific operational contexts and needs.

111. **The Board recommends that the UNFPA Ethiopia country office review its risk register to ensure it accurately reflects the local risk landscape by consolidating risks identified across United Nations joint and internal oversight mechanisms, including emerging risks not currently present in the register; revising risk statements to define them in terms of sources, potential events, consequences and likelihood; and reviewing the impact and probability scores.**

112. UNFPA accepted the recommendation.

Limited end-to-end visibility at the Ethiopia country office

113. In accordance with its terms of reference, the Supply Chain Management Unit is responsible for ensuring end-to-end inventory visibility across the supply chain, from supply acquisition to final consumption by UNFPA programme beneficiaries. In order to strengthen accountability and mitigate risks such as waste and stock-outs at UNFPA country offices, the terms of reference also outline key mechanisms, including inventory accounting controls, compliance audits and quality assurance measures.

114. Furthermore, the Supply Chain Management Unit strategy for 2021–2029 reinforces inventory visibility by emphasizing data literacy, digital tool integration and improved country-specific procedures.

115. In the country programme document for Ethiopia (2020–2025), amended in 2023, inventory visibility challenges are addressed directly by prioritizing the strengthening of data systems to enhance health service delivery. In line with this objective, the Health Systems Strengthening fund application for 2024–2025 underscores the need to scale up the implementation of supply chain management systems, such as electronic logistics management information systems, at all operational levels.

116. Electronic logistics management information systems have been implemented at central warehouses, including those managed by the Ministry of Health in Adama, as well as at secondary warehouses at 19 regional hubs. This system enables inventory monitoring for family planning and reproductive health commodities up to the point of dispatch to service delivery points.

117. The Board identified weaknesses in inventory visibility at the Ethiopia country office. Of more than 4,000 service delivery points across the country, electronic logistics management information systems were used at only some 1,300 (32.5 per cent) for inventory management, while the remaining continued to rely on manual systems, generating unreliable and untimely data.

118. To mitigate visibility gaps due to the limited adoption of the electronic logistics management information systems at the service delivery points level, the country office, in collaboration with the Ethiopian Pharmaceuticals Supply Service and other relevant partners, conducted regular monitoring exercises to assess data accuracy and alignment with inventory targets at central and secondary warehouses. Tools such as quarterly stock reports and the supply chain overview country report were used to analyse deviations and implement corrective action.

119. The country office stated that it had conducted in-country assessments to evaluate stock availability, track inventory movements and identify potential supply chain bottlenecks. In 2023, 13 service delivery points were selected for assessment, while in 2024 that number increased to 16.

120. The Government of Ethiopia, recognizing the need for improved inventory visibility, the launched in 2023 a proposal on scaling up electronic logistics management information systems and other electronic auditable pharmaceuticals transactions and services in all health facilities, which was aimed at achieving the full digitalization of inventory management across all service delivery points by the end of 2025. However, the plan was behind schedule. By the end of 2024, 2,135 service delivery points were expected to have electronic logistics management information systems in place, but budget constraints slowed progress.

121. The Board considers that the number of service delivery points selected for assessment is not sufficient to provide representative data for all points in the country. When inventory data are inaccurate or delayed, forecasting errors become more frequent.

122. The limited implementation of the electronic logistics management information systems at service delivery points may have contributed to weak inventory visibility and inefficiencies in supply chain management. The reliance on manual inventory systems could result in poor data quality and reporting delays. These inefficiencies ultimately hinder the effectiveness of UNFPA-supported programmes and the broader national health supply chain.

123. In conclusion, the Board deems that, while this long-term effort is ongoing owing to financial and operational constraints, inventory visibility should be improved through supply chain assessments using a statistically representative sample, ideally conducted every year. This approach would provide a comprehensive understanding of supply chain performance, enabling better-informed decisions and reducing the risks of stock-outs and overstock during the transition period. The Board encourages UNFPA to assess, as appropriate, the applicability of these enhancements to other regional offices, based on their specific operational contexts and needs.

124. **The Board recommends that the UNFPA Ethiopia country office strengthen the end-to-end visibility of the supply chain by continuing its support to the Government in expanding the electronic logistics management information system implementation at service delivery points and by conducting periodic supply chain assessments through a statistically representative sample of these service delivery points.**

125. UNFPA accepted the recommendation.

4. Contributions

Inadequate controls and inconsistencies in donor agreement documentation

126. In line with UNFPA manual on policy and procedures for earmarked resources, revised on 4 October 2024 (paras. 26, 125 and 130), all signed earmarked contribution agreements must be uploaded to the donor agreement report tracking system, or its replacement system, stored in accordance with the UNFPA document retention schedule and monitored through established internal controls.

127. Moreover, in line with the policy, contribution revenue focal points must manage fund code creation (which is used for budget control), record agreements and related transactions and perform daily monitoring of UNFPA contribution deposits. They must also regularly reconcile data across the systems related to earmarked contributions and payment schedules, working closely with the Finance Branch to resolve discrepancies. Furthermore, in accordance with the policy, reconciliation results then need to be reviewed and signed off on by the Chief of Public Funding and Financing Branch to ensure accuracy and completeness.

128. The Board analysed a sample of 43 fund codes of 1,189 earmarked contribution agreements active in 2024 and identified deficiencies in 18 (42 per cent) records in the donor system, including:

(a) Incomplete documentation: In six fund codes, several agreements or annexes were not uploaded or filed, creating gaps in records. In two others, the main agreement was missing;

(b) Inconsistencies with supporting documents: In one fund code, discrepancies were observed between the donor system records and retained documents, including missing amendment pages;

(c) Unsupported recorded amounts: In three fund codes, recorded values did not match signed agreements or lacked supporting documentation;

(d) Poor-quality scanned files: Low legibility in uploaded documents was noted in three fund codes;

(e) Non-standard file naming: Inconsistent naming conventions were noted in four fund codes, especially where multiple versions or amendments existed;

(f) Multi-donor fund limitations: In three fund codes, the donor system did not allow for disaggregation of contributions under multi-donor arrangements;

(g) Unsubstantiated donor attribution: In two fund codes, private donor contributions were recorded under generic attribution without supporting evidence;

(h) Missing donor reporting documentation: Donor approvals for financial reports were not consistently recorded in the donor system. Where approval was implicit (e.g., donor silence or ongoing disbursements), no evidence was recorded.

129. The Board considers that these deficiencies reflect weak enforcement of post-signature documentation controls, which impaired traceability, increased the risk of misclassification and hindered internal control processes established in the UNFPA manual on policy and procedures for earmarked resources, such as reconciliations, document retrieval and financial validation. Structural limitations in the donor system further compounded the issue, given that the system did not allow donor-level disaggregation or automate the validation of data against source documents. In addition, functionality to register donor approvals, when required, was lacking.

130. Moreover, the use of a generic designation and the absence of supporting documentation indicate that oversight of donor attribution has also been inadequate, hindering the traceability and accountability of contributions from individuals and other fundraising campaigns.

131. These weaknesses may also affect the ability of UNFPA to identify and assess conditional clauses, as required under IPSAS 23: Revenue from non-exchange transactions (taxes and transfers), with implications for revenue recognition and liability reporting. The Board concludes that UNFPA faces procedural and systemic weaknesses in managing earmarked contributions in the donor system, which could affect the accuracy, traceability and auditability of financial records.

132. **The Board recommends that UNFPA enforce compliance with documentation policies by requiring that all signed earmarked contribution agreements, amendments and annexes be uploaded promptly to the donor agreement report tracking system (or its replacement) and maintained in accordance with the UNFPA retention schedule, using uniform document naming conventions and ensuring document legibility through a quality assurance process, while also enhancing the system's functionality to support the efficient management and review of large volumes of documentation.**

133. **The Board recommends that UNFPA conduct a comprehensive reconciliation between the donor agreement report tracking system (or its replacement) records and supporting documentation to correct discrepancies, validate contributions recorded under generic designations and implement periodic data integrity reviews to ensure accurate recording and compliance.**

134. UNFPA accepted the recommendations.

Deficiencies in the analysis of the existence, registration and control of donor agreements' conditional clauses

135. In accordance with IPSAS 23, entities must assess whether agreements contain conditional clauses, given that such clauses determine the appropriate timing for revenue recognition. It is established in paragraphs 17 and 29 of IPSAS 23 that, when a condition exists, the entity shall recognize a liability until the condition is fulfilled.

136. As defined in paragraphs 17 and 21 of IPSAS 23, a condition exists when the agreement includes: (a) a measurable performance obligation; (b) a return obligation in case of breach; (c) an enforceable requirement to return the asset; and (d) no past experience indicating that the donor consistently waives enforcement of the return obligation. Furthermore, it is clarified in paragraph 21 that, in the absence of a prior breach, the entity must presume that the donor would enforce the return stipulation.

137. The concept of past experience, as stated in IPSAS 23, refers to actual situations in which a breach occurred and the donor elected not to enforce the return clause. In the absence of such evidence, the presumption is that the condition remains enforceable, and revenue must not be recognized until the obligation is satisfied.

138. In this regard, in annex 2 to the UNFPA policy on revenue from non-exchange transactions, a checklist is established in order to document the analysis of agreements and the identification of IPSAS compliant treatment. Lastly, it is stated in the manual on UNFPA policy and procedures for earmarked resources that the Finance Branch has the final authority to determine and issue instructions on the recording of earmarked contribution agreements and associated events to achieve the accounting presentation consistent with IPSAS.

139. The Board observed that a few checklist analyses were performed by the Public Funding and Financing Branch and the Private Sector and Civil Society Branch. However, the Finance Branch did not conduct any documented re-evaluation of those analyses. Of the 1,043 agreements in force during the 2024 financial year (cut-off date: 30 September), only 6 completed checklists were provided, suggesting that more than 99 per cent of the agreements lacked this documentation.

140. The Board also reviewed a sample of 41 earmarked contribution agreements signed in 2024 with three major donors. The sample represented 24.3 per cent of revenue from earmarked contributions, of a total of 392 such agreements signed during the year. While several of the agreements met the IPSAS 23 definition of conditional clauses (containing measurable performance obligations, enforceable return provisions, and no evidence of past waivers),their full value was recognized as revenue up front. This treatment was inconsistent with IPSAS, which requires deferral of revenue recognition until the condition is fulfilled.

141. Furthermore, the Board identified a refund of $4.5 million to one major donor, issued in 2024 owing to the breach of a conditional clause, in which there were limitations in delivering the agreed programme caused by circumstances beyond the entity’s control. The donor rejected reallocation and requested the return of unspent funds, which indicates that the donor would not waive the enforcement of the return clause in its agreements.

142. The absence of a standardized and documented approach to assessing conditional clauses significantly increases the risk of accounting treatments that are inconsistent with IPSAS 23. This not only leads to potential differences in how similar agreements are treated, but also compromises the comparability and reliability of financial information. An inaccurate interpretation of past experience was another contributing factor to the issue identified: the assumption at UNFPA that past cooperation or lack of prior enforcement implied that no conditions existed is not supported by IPSAS 23.

143. The Board concludes that analysing all IPSAS 23 criteria for conditional clauses in every agreement is essential to ensure appropriate revenue and liability recognition and disclosure. The absence of documented analysis obstructs an understanding of the judgments applied by UNFPA, as evidenced in past cases. The involvement of the Finance Branch is critical to ensuring that financial reporting complies with both UNFPA policies and applicable international accounting standards.

144. **The Board recommends that UNFPA establish a standardized and documented procedure for analysing, recording and controlling conditional clauses for all signed donor agreements, including an appropriate documented review process by the Finance Branch to ensure compliance of the accounting transactions with applicable standards.**

145. **The Board recommends that UNFPA review earmarked contribution agreements to verify the existence of obligations that meet the definition of liability, reclassify the amounts recognized as revenue, when appropriate, and adopt the accounting procedures set out in the applicable accounting standard for the recognition of liabilities arising from agreements.**

146. UNFPA accepted the recommendations.

5. Property, plant and equipment

Understatement of fully depreciated capitalized property, plant and equipment assets

147. In accordance with IPSAS 17: Property, plant and equipment, an asset's depreciable amount is determined after deducting its residual value, which should be reviewed annually. UNFPA policy and procedures for fixed asset management (2014) set a net book value threshold of $5,000 for disposal procedures without approval of the oversight committees.

148. The Board noted that approximately one third of the total items (4,209 of the 13,864 assets) and of the total cost ($34.31 million of $92.84 million) was fully depreciated with a net book value of zero. To illustrate that a portion of these assets could still provide economic benefits to the entity, the Board verified that 28 fully depreciated vehicles with an overall historical cost of $909,401.56 had been sold for $541,770.20 (60 per cent of the overall historical cost) in 2024, generating revenue.

149. The verification of fully depreciated vehicles retired through sale demonstrates that assigning a residual value of zero underestimates the net book amount. It was observed that 28 of 82 fully depreciated vehicles had been retired in 2024 through sale, representing one third of the total. For other asset categories, such as information and communications technology equipment, UNFPA may consider adopting alternative procedures to establish suitable estimates for residual value.

150. The Board identified the root cause as the non-assignment of residual value by UNFPA to its property, plant and equipment assets. This practice overstates depreciation expenses, potentially overestimates revenue gains upon assets and may lead to suboptimal disposal decisions, given that it is not fully aligned with the UNFPA policies and procedures on asset management.

151. **The Board recommends that UNFPA review its property, plant and equipment asset management policies with a view to incorporating the assignment of a residual value.**

152. UNFPA accepted the recommendation.

6. Value-added tax receivables

Inconsistent process definition, oversight and accounting practices for value-added tax receivables

153. In accordance with host country arrangements, UNFPA operates under three value-added tax regimes: (a) exemption at source, where value-added tax is not paid; (b) claimable, where value-added tax is paid and subsequently reimbursed by tax authorities; and (c) non-recoverable, where value-added tax is paid without reimbursement.

154. Pursuant to the guidance note on value-added tax receivables issued by UNFPA in 2012, business units are required to conduct reconciliations in June and December and retain supporting documentation for audit purposes and monitoring by the Finance Branch. The importance of such oversight is underscored in the UNFPA internal control framework.

155. In addition, it is stated in the UNFPA Financial Regulations and Rules that losses, including the write-off of value-added tax receivables, must be formally recognized and written off according to thresholds (above $2,500 by the Executive Director, and $2,500 or less by the Director of the Division for Management Services).

156. The Board observed that:

(a) Approximately $2 million of long-outstanding value-added tax receivables from 2022 or earlier remained uncleared, of $6.4 million of recoverable value-added/sales taxes, with only partial allowances. Allowances were inconsistently applied on the basis of judgment, and no formal write-offs were recorded in 2023 or 2024, including for receivables with existing provisions and no reasonable expectation of recovery. UNFPA had not established formal accounting guidelines for assessing recoverability, impairment, write-offs of value-added tax receivables and disclosure on the basis of applicable IPSAS;

(b) Finance Branch monitoring was limited to ad hoc and year-end review. The guidance note remained outdated and had not been revised to align with expected practices, notwithstanding ongoing update activities. It did not present sufficient oversight responsibilities, failing to detail processes to be performed by the Finance Branch and oversight roles for monitoring country offices' reconciliation, and lacked a structured reconciliation visibility;

(c) In countries with low recoverability, value-added tax was directly expensed without prior recognition as a receivable and formal write-off, notwithstanding the absence of authorization or guidance for such exceptional cases, in conflict with the UNFPA Financial Regulations and Rules;

(d) Value-added tax allowances and write-offs were charged to corporate unearmarked funds, with no mechanism to allocate those losses to the original programme fund codes, reducing the traceability of financial impacts, hindering the representation of programme costs and increasing pressure on core resources.

157. The Board considers that the continued use of an outdated guidance note, pending comprehensive revision, is a primary factor contributing to inconsistencies in value-added tax management, oversight and monitoring. Furthermore, the limited formalization and insufficient definition of accounting policies and procedures for assessing, impairing and writing off represent systemic weaknesses in ensuring timely derecognition.

158. The Board is of the view that the combination of these issues has significantly reduced the usefulness and reliability of financial reporting on value-added tax receivables. These deficiencies hinder transparency, contribute to the risk of asset overstatement due to the lack of systematic impairment of unrecoverable balances in line with IPSAS and ultimately limit the ability of stakeholders to evaluate financial stewardship and accountability.

159. **The Board recommends that UNFPA update the value-added tax guidance note to reflect the expected recovery procedures, including clearly determined oversight roles, strengthened monitoring activities, formalized rules for handling exceptional cases and mechanisms to ensure central visibility over reconciliations and claims.**

160. **The Board recommends that UNFPA establish formal accounting guidelines to assess, impair and write off value-added tax receivables, with clearly defined and consistently applied criteria, as well as rules for related disclosures.**

161. UNFPA accepted the recommendation.

7. Implementing partners

Inconsistencies in documentation and system records for cash transfers to implementing partners

162. In accordance with the UNFPA policy and procedures for management of cash transfers to implementing partners, the funding authorization and certificate of expenditure form is the instrument utilized by all implementing partners to request cash advances, report on their use and request the reimbursement of expenses incurred for programme implementation purposes.

163. In the same policy, built on the harmonized approach to cash transfer framework, it is required that every e-funding authorization form generated in QuantumPlus be certified by an implementing partner's authorized officer and uploaded together with the corresponding itemized cost estimate, which is essential to demonstrate that cash transfer requests and expenditure reports correspond to the approved workplans and are properly supported. In addition, programme associates are the officers responsible for conducting a detailed review of each funding authorization request (verifying variances, transaction lists and other supporting schedules) to assure management of the validity, eligibility and consistency of the reported expenses. Moreover, it is underscored in the framework that the reviewing officer's core responsibility is "ensuring appropriateness of expenditures", thereby linking the completeness of documentation to the broader objective of safeguarding programme resources.

164. Collectively, those provisions establish a clear documentary trail (signed, dated and fully supported by documentation) that must be present in QuantumPlus before any cash advance, direct payment or expense report is approved. Those documents enable the audit to therefore evaluate the completeness, accuracy and system registration of the funding authorization forms, itemized cost estimates and supporting evidence against the combined policy and harmonized approach to cash transfers standard.

165. During the review of QuantumPlus documentation, the Board observed deficiencies in the registration, completeness and consistency of funding authorization forms and their supporting records. Discrepancies included mismatched amounts, omitted sections or differing versions between implementing partner-executed forms and system records. Instances of e-funding authorization forms uploaded to incorrect requests and incomplete or corrupted documents lacking critical information (e.g., dates and legible values) were also identified.

166. The Board also observed that 1,878 transactions, totalling $23.08 million, originated from QuantumPlus in 2024 across 53 countries were supported exclusively by a single document in the system, typically the funding authorization form. While the requirement for additional supporting documentation depends on the nature of the transaction, many of those entries lacked commonly expected supplementary documents, including but not limited to itemized cost estimates, expense reports, transaction lists and a review checklist, which, while not mandatory, were highly recommended.

167. Subsequent to an audit request for additional documentation, most countries delivered itemized cost estimates. However, some country offices failed to provide any additional supporting documentation. Critically, the Board noted that many of the documents provided had not been uploaded to QuantumPlus, notwithstanding explicit policy mandates.

168. Moreover, the Board identified 354 financial transactions in 2024, totalling $5.14 million and disseminated across 19 countries, that initially lacked any corresponding signed e-funding authorization form. While most of these signed forms

were subsequently provided following an audit request, a portion remained outstanding (16 per cent), indicating a persistent lack of supporting evidence. Analogous to previous observations, 83 per cent of these signed forms, although they were submitted upon request, had not been uploaded to QuantumPlus in the first instance, as mandated by policy requirements.

169. In addition, the Board verified a general absence of consistent naming conventions and formats for e-funding authorization form files and other supporting documentation, as well as a retention of mandatory and supporting documents on local repositories rather than their centralization within QuantumPlus.

170. Lastly, the Board observed that, after audit requests, 395 new documents, including signed e-funding authorization forms, itemized cost estimates and review checklists, were uploaded into QuantumPlus, thereby confirming their prior absence in the internal system. The use of local repositories instead of uploading mandatory documents to QuantumPlus reflects non-compliance with corporate policies and an underutilization of the system intended to enhance controls over cash transfers to implementing partners.

171. The Board considers that the conditions are attributable to several factors: weak enforcement of documentation upload protocols and certification controls before payment; lack of systemic validations for complete and accurate documentation, especially for cost estimates and review records; deficient automation for appending critical forms (e.g., funding authorization and certificate of expenditure forms, itemized cost estimates and checklists) before transaction processing; poor-quality control of scanned documents leading to illegible or corrupted files; and inadequate revision mechanisms for identifying and rectifying missing or outdated documentation.

172. The Board is concerned that such identified weaknesses in cash transfer documentation undermine the reliability, traceability and auditability of transactions. These issues impair effective oversight and represent failures in adhering to UNFPA core documentation and review requirements. These deficiencies compromise the accuracy of internal controls and increase the risk of non-compliance with the harmonized approach to cash transfers framework, as well as with UNFPA own policies, and impair the efficacy of expenditure reviews and assurance procedures.

173. **The Board recommends that UNFPA enforce mandatory compliance checks in QuantumPlus to ensure that funding authorization and certificate of expenditure forms, itemized cost estimates and expense reports are uploaded and validated prior to transaction approval.**

174. **The Board recommends that UNFPA introduce a periodic reconciliation mechanism to identify transactions missing mandatory documentation and to ensure that corrective action is taken promptly.**

175. UNFPA accepted the recommendations.

Lack of head of unit approval for high-value cash transfer transactions

176. The UNFPA policy and procedures for management of cash transfers to implementing partners, which builds on the harmonized approach to cash transfers framework, sets out key control activities to mitigate significant risks inherent to the cash transfer process. A crucial control mechanism requires additional approval by the head of the unit for transactions exceeding specific thresholds: individual cash advance requests and expense reports of $250,000 or more and direct payment requests amounting to $100,000 or more require additional approval by the head of unit.

177. Those approvals must be evidenced by signing the corresponding requests and uploading them to the QuantumPlus system, except when the head of unit is the funding authorization and certificate of expenditure form approver in the system. The approval requirements, summarized in annex II to the policy, serve as vital controls to ensure proper oversight and management of substantial financial disbursements to implementing partners, following the risk-based approach of the harmonized approach to cash transfers framework, which was used to formulate the aforementioned policy.

178. During the review of QuantumPlus documentation, the Board noted variations in the approval processes at the country-office level. For example, among the countries that presented inconsistencies in the payment approval process, the Afghanistan country office demonstrated a formal delegation of the approval authority to the deputy. In the Yemen country office, the country representative, who also functions as the head of unit, performed the approval directly within QuantumPlus. In addition, for some transactions in other country offices, approval by the deputy head of unit was evidenced on internal review documents; however, those documents were not uploaded to the system.

179. Furthermore, during the examination of 81 requests comprising cash advances, expense reports and direct payment requests exceeding the established policy thresholds, the Board identified instances of non-compliance with the head of unit approval requirement in at least 15 requests (18.5 per cent), totalling $7.39 million. While supplementary approval documentation for some transactions was subsequently provided upon request, that documentation had not been uploaded to QuantumPlus in the first instance, as required by policy.

180. Such a situation could be attributable to the absence of automated systemic validations within QuantumPlus designed to enforce the requirement for additional head of unit approval for transactions exceeding established thresholds; a lack of integrated and automatic verification workflows during the transaction processing cycles; and seemingly weak enforcement of the approval requirements under UNFPA policy.

181. The Board is of the view that these inconsistencies undermine the effectiveness of the control environment for cash transfers, increase the risk of improperly approved disbursements and hinder the efficiency of subsequent expenditure reviews and assurance activities.

182. **The Board recommends that UNFPA strengthen internal controls to ensure that transactions exceeding policy thresholds are not processed without prior approval from the responsible party.**

183. UNFPA accepted the recommendation.

8. Information and communications technology

Weakness in information and communications technology project management

184. UNFPA has committed to enhancing its Project Management Office as part of its ICT strategy 2023–2025 (initiative 10). UNFPA has adopted an ICT project management methodology, based on Projects in Controlled Environments (PRINCE2), with required products specified according to the project category. PRINCE2 is a structured and process-based approach that is widely recognized for its effectiveness in managing projects within well-defined and controlled environments. The ICT project management methodology is intended to provide consistency across all ICT projects, helping the Information Technology Department to deliver defined outcomes and contribute effectively to the organization's strategic objectives.

185. Consistent with the Control Objectives for Information and Related Technology (COBIT 5) process “BAI01: Manage programmes and projects”, the use of a project management methodology enables organizations to systematically oversee programmes and projects, align them with business strategy and ensure that their delivery is efficient, is reliable and minimizes risk.

186. Documentation and artifacts were requested for a sample of seven projects associated with resource management processes. The Board observed that required project documentation– including project plans and project registers, which contain risk and issue logs and the updated project plan and requirement specification – was missing or incomplete. This deficiency was particularly pronounced in projects relating to the forthcoming new versions of the shipment tracker, integrated budget application, global directory, and donor agreement and report tracking system. Each of these tools supports key financial and operational functions.

187. Furthermore, the Information Technology Department relied on decentralized project tracking through individual spreadsheets that were non-integrated, frequently outdated and often lacking essential information such as risk assessments and details of designated stakeholders.

188. As regards project and ICT service management mechanisms, Jira software, a platform for issue tracking and agile project management, was used within the Information Technology Department for issue tracking and organizing tasks as a pilot for a few projects. However, it was not utilized as a centralized platform to manage all ICT projects and products across all stages of their life cycles.

189. In addition, because no measurable indicators had been specified under the ICT project management methodology, there was a lack of defined key performance indicators and metrics. Project performance progress was tracked through individual project extractions and third-party reports without using effective performance indicators or standardized metrics to capture delays or resource usage.

190. The Board considers that the primary cause of these deficiencies is inconsistent adherence to the ICT project management methodology. The absence of documents required by the ICT project management methodology, such as project plans and risk assessments, could indicate insufficiently clear definitions of the scope and timeline of a project, as well as risk assessments and other parameters necessary to establish project objectives and delineate a project’s intended outcomes.

191. In addition, the lack of a centralized project management mechanism may create coordination challenges across the Information Technology Department, resulting in duplication of efforts and difficulties in coordinating resources effectively, monitoring timelines and managing project dependencies.

192. The Board is of the view that the lack of defined key performance indicators may restrict management’s ability to track project progress, identify potential issues, ensure quality and make data-driven adjustments to project timelines and resources. Consequently, the Information Technology Department could be limited in its ability to monitor its capacity and effectiveness in aligning project outcomes with strategic goals.

193. **The Board recommends that UNFPA ensure adherence to the ICT project management methodology.**

194. **The Board recommends that UNFPA establish a centralized mechanism for controlling and monitoring ICT projects and develop specific indicators and metrics to consistently track progress, resource allocation and overall performance.**

195. UNFPA accepted both recommendations.

Deficiencies in information and communications technology change management process

196. It is specified in the UNFPA enterprise risk management policy, issued in 2022, that ICT risk management is subject to the governance and oversight of the ICT Board, following the principles of the COBIT 5 framework.

197. In addition, the UNFPA ICT Portfolio Committee's terms of reference stipulates that, if a change request is made for an existing service (deployed solution) that is less than the level of effort stipulated in the criteria, then normal Change Advisory Board procedures shall be followed. This process is designed to ensure cross-functional governance and accountability for significant ICT changes. Furthermore, one of the functions of the Information Technology Department is to "support the implementation, communication, change management and delivery of business solutions".

198. Consistent with COBIT 5 processes "BAI06: Manage changes" and "(BAI07): Manage change acceptance and transitioning", as well as with the change enablement practice under Information Technology Infrastructure Library 4, a formalized ICT change management process is essential to maintain service continuity, security and alignment with organizational objectives, mitigating the risk of changes having a negative impact on the stability of the environment.

199. The Board observed that UNFPA has not established a formal ICT change management process to govern changes within its ICT environment and that Jira software, while utilized as a platform for managing service desk requests and tickets, was not employed as the formal system for overall change management.

200. Notwithstanding previous Board of Auditors recommendations emphasizing the need to improve the management and oversight of ICT changes, including the formalization of system change management procedures and the centralization of changes documentation (see A/68/5/Add.7) and the establishment of a Change Advisory Board with clear responsibilities and the development of a change management guideline (see A/71/5/Add.8), no protocol, terms of reference or other relevant documentation regarding ICT change management was provided in response to audit requests. Given that those recommendations were considered implemented in 2013 and 2016, respectively, such required evidence should be readily available.

201. ICT management acknowledged the absence of standardized risk assessment and prioritization criteria for changes, as well as the absence of a formalized change management process across the area. In addition, management presented to the Board a draft document for a change management process, demonstrating their commitment to improving ICT governance, though the document remains under development.

202. The Board considers that those gaps may have led the Information Technology Department to rely on informal methods, especially for systems outside the QuantumPlus platform, limiting oversight by governance bodies such as the Change Advisory Board. Consequently, accountability and transparency may have reduced and the likelihood of security vulnerabilities and unauthorized access may have increased.

203. The Board highlights the relevance of having an ICT change management process with clear definitions of the purpose, scope, roles and procedures for each stage of change. Such a process would enhance governance, ensure alignment with organizational objectives and security protocols and promote a consistent, process-driven approach that minimizes errors and strengthens operational resilience.

204. **The Board recommends that UNFPA establish a formal ICT change management process to effectively manage and document changes, with due consideration of the priority of the change and the risks involved.**

205. UNFPA accepted the recommendation.

C. Transmissions of information by management

1. Write-off of losses of cash, receivables and property

206. UNFPA informed the Board regarding losses in assets of $258,934.54 (2023: $38,583). The write-offs included other receivables of $220,141, contributions receivable of $14,200, property, plant and equipment of $21,846.81 and petrol advance of $2,746.73.

2. Ex gratia payments

207. As required in regulation 14.4 of the UNFPA Financial Regulations and Rules, management reported ex gratia payments amounting to $219,955 (2023: $8,169) for the period under review.

3. Cases of fraud and presumptive fraud

208. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities (including those resulting from fraud). The audit, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

209. The additional terms of reference governing the external audit include cases of fraud and presumptive fraud in the list of matters that should be referred to in the report.

210. In accordance with the additional terms of reference in the annex to the Financial Regulations and Rules of the United Nations (para. 6 (c) (i)), fraud cases are included in the matters that should be reported to the General Assembly by the Board. It is not the role of the external auditor to investigate fraud or provide assurance on the matter; the primary responsibility for preventing and detecting fraud rests with management.

211. UNFPA reported 72 cases of fraud and presumptive fraud in 2024 to the Board. Of those cases, investigations of 14 (19 per cent) were completed during the year, with quantified losses of $2,613,619 and 1 case representing $2.3 million. The remaining 58 cases (81 per cent) remained under investigation. As at 31 December 2024, the cumulative number of cases under investigation for previous years were as follows: 7 reported in 2021; 26 reported in 2022; and 49 reported in 2023. The Board encourages the Office of Audit and Investigation Services to continue to increase the rate of investigation of the pending cases.

D. Acknowledgement

212. The Board expresses its sincere appreciation and gratitude to the management and staff of UNFPA for the assistance and cooperation extended during the conduct of this audit.

(*Signed*) Pierre **Moscovici**
First President of the French Cour des comptes
Chair of the Board of Auditors

(*Signed*) Vital **do Rêgo Filho**
President of the Brazilian Federal Court of Accounts
(Lead Auditor)

(*Signed*) **Hou** Kai
Auditor General of the People’s Republic of China

23 July 2025

Annex

Status of implementation of recommendations up to the financial year ended 31 December 2023

						Status after verification			
No.	*Audit report year*	*Report reference*	*Recommendation*	*Management's response*	*Board's assessment*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
1.	2019	A/75/5/Add.8, para. 165	The Board recommends that the UNFPA country offices in Ethiopia, Mozambique and Myanmar incorporate into the information system strengthened tools related to the travel management process, in order to increase the effectiveness and efficiency of that process.	UNFPA adheres to the United Nations Development Programme (UNDP) travel policy, updated in January 2023. The "UN All" travel module is employed by all country offices, including those in Ethiopia, Mozambique and Myanmar. This module features automated daily subsistence allowance calculations, streamlined request and claims processing, and prevention of duplicate payments. PowerBI dashboards enhance performance monitoring.	The Board acknowledges the significant progress made by UNFPA in incorporating its travel module through the global roll-out into staff training and dashboard monitoring, demonstrating its commitment to improved travel management and oversight. The module follows UNDP travel policy for the "UN All" travel module, now in use by country offices, including in Ethiopia, Mozambique and Myanmar. Therefore, this recommendation is considered implemented.	X			
2.	2020	A/76/5/Add.8, para. 89	The Board recommends that UNFPA incorporate preventive controls related to inventory information into the new enterprise resource planning system, in order to provide early alerts at each stage of the supply process.	UNFPA stated that embedding full preventive controls in Quantum would need resources not yet available. Consequently, UNFPA deployed cost-effective measures. The QuantumPlus shipment tracker now automatically generates documents and feeds a PowerBI dashboard. Red flag analyses, proactive outreach to field offices and targeted webinars supported timely, accurate entries. UNFPA therefore considers the recommendation implemented.	The Board acknowledges UNFPA roll-out of the QuantumPlus shipment tracker. However, UNFPA has not implemented the preventive layer envisaged by the Board, such as automated alerts, graphical indicators or management summaries that highlight extended delays in inventory recording. Therefore, the recommendation is considered under implementation.		X		
3.	2021	A/77/5/Add.8, para. 78	The Board recommends that UNFPA strengthen the assurance activities plan and put in place preventive controls in its formulation process for the implementing partner assessment.	UNFPA launched the new implementing partner risk management and assurance module in QuantumPlus in February 2025, introducing workflows, mandatory fields, automated assessment expiry and real-time risk updates. Reports are	The Board observed that UNFPA launched the new implementing partner module, completing data migration and introducing preventive controls such as approval workflows, mandatory fields and automatic expiry of assessments. Risk ratings are	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				submitted by service providers, enhancing preventive controls and monitoring.	updated automatically upon approval. These controls address the discrepancies previously noted and strengthen the alignment between assessments and assurance planning. Therefore, the recommendation is considered implemented.				
4.	2021	A/77/5/Add.8, para. 176	The Board recommends that the UNFPA country office in Colombia work closely with headquarters to incorporate the categorization of the type of delivery document (programme supplies distribution agreements, direct distribution and delivery slips) into the new enterprise resource planning system.	UNFPA reported that delivery documents were generated and classified through the QuantumPlus shipment tracker. While not integrated into the enterprise resource planning system, the tool met operational needs, and UNFPA prioritized its enhancement, given resource constraints.	The Board observed that UNFPA uses the QuantumPlus shipment tracker to manage delivery documents, supporting policy compliance and operational oversight. Although not integrated into the enterprise resource planning system, the tool meets current needs. Therefore, the recommendation is considered implemented.	X			
5.	2022	A/78/5/Add.8, para. 54	The Board recommends that UNFPA accelerate the action taken to define the modules developed on Atlas, pending their inclusion in the Quantum enterprise resource planning system.	UNFPA reported that the Atlas-based shipment tracker was decommissioned on 31 December 2024, with all 2025 transactions processed in QuantumPlus. This migration eliminated reliance on Atlas for shipment tracking and fulfilled the recommendation to integrate pending modules into the new enterprise resource planning system. The module was fully embedded in QuantumPlus. UNFPA considers the recommendation fully implemented.	The Board observed that UNFPA accelerated action on pending Atlas modules by incorporating them into Quantum and QuantumPlus. These systems now support third-party procurement, programming and shipment tracking, replacing legacy functions. Therefore, the recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
6.	2022	A/78/5/Add.8, para. 68	The Board recommends that UNFPA ensure that the procedure for revoking access for all ICT resources for separated staff is carried out in a timely manner.	UNFPA declared that, following the launch of the QuantumPlus shipment tracker, it carried out a full review and revoked Atlas access for all users linked to obsolete functions, including separated staff. Only staff working on inventory in the Supply Chain Management Unit and in the Finance Branch retain limited, read-only access to audit-related historical data in Atlas, with controls in place and annual reviews. These measures address the audit concern about Atlas. UNFPA considers the recommendation fully implemented.	The Board acknowledges that access to the legacy Atlas system was revoked and underwent a transition to a read-only format. However, this does not address the core issue of the timely deprovisioning of access to ICT resources for separated staff. UNFPA did not provide evidence of formal procedures, revocation mechanisms or regular monitoring to ensure appropriate access controls. Therefore, the recommendation is considered under implementation.		X		
7.	2022	A/78/5/Add.8, para. 90	The Board recommends that UNFPA develop and issue a supply chain management policy so that a coordinated approach to supply chains and logistics is implemented within the Fund.	UNFPA reported that implementation was in progress.	UNFPA did not specify the action taken to implement the recommendation and no supporting documentation was provided. Therefore, the Board considers it not implemented.			X	
8.	2022	A/78/5/Add.8, para. 91	The Board recommends that UNFPA conduct an assessment with regard to the fulfilment of the functions included in the Supply Chain Management Unit's terms of reference to ensure a clear implementation schedule and accountabilities, in order to fulfil the Unit's mandate.	UNFPA management reported that it had conducted a comprehensive assessment of Supply Chain Management Unit functions, resulting in revised terms of reference, an updated organogram, completion of the recruitment, onboarding and training of staff and finalization of the implementation schedule and accountabilities.	The Board reviewed the updated terms of reference, staffing developments, the implementation schedule and accountabilities of the Supply Chain Management Unit, along with the endorsement of its 2024–2029 strategy, and concluded that the recommendation is implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
9.	2022	A/78/5/Add.8, para. 101	The Board recommends that UNFPA define and approve a supply chain strategy to provide the organization with a holistic supply chain system.	UNFPA management reported that it had developed and approved the Supply Chain Management Unit strategy for 2024–2029 following a comprehensive assessment, aligning priorities and resources to strengthen the Unit's mandate and support UNFPA transformative goals.	The Board reviewed the development, approval and dissemination of the Supply Chain Management Unit strategy for 2024–2029, including its endorsement by the Executive Committee. These steps confirm that a structured framework has been established to guide operations. Therefore, the Board considers the recommendation implemented.	X			
10.	2022	A/78/5/Add.8, para. 110	The Board recommends that UNFPA conduct the Supply Chain Management Unit and supply chain function risk assessments in order to address a complete risk approach.	UNFPA management reported that it had addressed the recommendation by initiating enterprise risk management activities to strengthen its supply chain risk framework. The Supply Chain Management Unit completed a risk identification exercise and logged supply chain-specific risks into the corporate enterprise risk management system. This aligned with a broader UNFPA-wide enterprise risk management initiative, including the creation of a headquarters risk committee to validate risk assessments across branches.	The Board acknowledges the Supply Chain Management Unit's progress in addressing the recommendation, including the completion of an initial risk identification exercise and the logging of the risk assessment into the enterprise risk management system. Evidence confirmed ongoing efforts to align risk management practices with the UNFPA broader enterprise risk management framework. Therefore, the Board considers this recommendation implemented.	X			
11.	2022	A/78/5/Add.8, para. 133	The Board recommends that UNFPA ensure that its business units conduct vendor assessments when the purchase order is closed.	UNFPA reported that it had implemented a new vendor performance framework classifying vendors into four categories: health, non-health, corporate services (managed by headquarters) and other services (country offices). Evaluations are based on quantitative and qualitative criteria applied on the basis of procurement thresholds. These measures support a	Notwithstanding the implementation of a new vendor assessment framework, comprehensive figures of supplier assessment by vendor category, business unit and financial threshold were not provided. Key elements remain under development and improvements addressing the original root causes have yet to be demonstrated. Therefore, the		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				standardized, organization-wide purchase order closure review, enhancing oversight, procurement quality and continuous improvement. UNFPA considers the recommendation implemented.	recommendation is considered under implementation.				
12.	2022	A/78/5/Add.8, para. 134	The Board recommends that UNFPA improve oversight of business units with the timely fulfilment of vendor assessments in the vendor assessment application that are defined by the Fund.	UNFPA reported that it had implemented a vendor performance framework, assigning oversight responsibilities by vendor categories. Coordination with field and headquarters units is supported by tools, instructions and periodic reminders. This governance structure is designed to ensure timely, consistent evaluations and strengthen accountability across the organization. UNFPA considers the recommendation fully implemented.	Notwithstanding UNFPA having shown evidence of some samples of vendor assessment reports, no comprehensive figures were provided by business unit, vendor category or financial threshold, nor was reporting submitted on timely vendor assessment. Therefore, the recommendation is considered under implementation.		X		
13.	2022	A/78/5/Add.8, para. 169	The Board recommends that UNFPA ensure the Oversight Advisory Committee's independence by updating its terms of reference with the aim of aligning them with the International Standards for the Professional Practice of Internal Auditing and best practices.	UNFPA reported that it would revise the terms of reference and reporting lines of its audit committee, as needed, following guidance from the Executive Board. A Member State-led working group is reviewing Joint Inspection Unit recommendations, with decisions expected in 2025 and guidance in 2026.	The Board noted that UNFPA plans to revise the Oversight Advisory Committee's terms of reference on the basis of future guidance from the Executive Board. However, because no changes have been implemented and the Committee still reports to management, the Board considers the recommendation not implemented.			X	
14.	2022	A/78/5/Add.8, para. 170	The Board recommends that UNFPA strengthen its third line of defence by reviewing and updating the related oversight policies in order to reflect the new Oversight Advisory Committee definition and purpose.	UNFPA reported that updates to oversight policies would follow guidance from the Executive Board, based on recommendations from the Joint Inspection Unit. A Member State-led working group is reviewing these recommendations, with outcomes expected in 2025 and guidance in 2026.	The Board noted that UNFPA planned to revise oversight policies following guidance from the Executive Board on the basis of recommendations from the Joint Inspection Unit. However, because no action has been taken to update the relevant policies, the Board considers the recommendation not implemented.			X	

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
15.	2022	A/78/5/Add.8, para. 184	The Board recommends that UNFPA review and approve a new version of the charter of the Office of Audit and Investigation Services that ensures adherence to the International Standards for the Professional Practice of Internal Auditing.	UNFPA reported that the Office of Audit and Investigation Services planned to revise its charter in 2024 to align with the new Global Internal Audit Standards. The updated version was expected to be shared with the Executive Board by August 2025, with implementation possibly by September 2025.	The Board noted that the revision of the charter of the Office of Audit and Investigation Services was planned but not completed and that organizational independence had not been fully achieved. Given that the revision is pending and independence not yet ensured, the recommendation is considered as remaining under implementation.		X		
16.	2022	A/78/5/Add.8, para. 201	The Board recommends that UNFPA adhere to the timelines of audit reports and investigations and develop a mechanism to periodically review the level of compliance.	UNFPA met the 90-day key performance indicator for audit reports in 2024, averaging 89.5 days for 30 reports. However, 66 per cent of investigation cases exceeded the 12-month key performance indicator, averaging 33.6 months. While workflows, tools and manuals were improved, challenges remain owing to backlog, complexity and staffing gaps.	The Board acknowledges UNFPA efforts to improve report timelines. However, 36 per cent of audit reports still exceeded deadlines and the timely issuance of investigation reports remains a challenge, as recognized by the Fund. Therefore, the Board considers the recommendation under implementation.		X		
17.	2022	A/78/5/Add.8, para. 239	The Board recommends that UNFPA formalize and incorporate a confidential management clause regarding beneficiaries into the agreements signed with its implementing partners.	UNFPA stated that the general terms and conditions for implementing partner agreements were amended, in coordination with the Legal Unit, to include a confidentiality clause ensuring the protection of beneficiary data. The updated documents have been made available on the policies and procedures manual website.	The Board reviewed the action taken by UNFPA. The confidentiality clause complies with UNFPA data protection policies and the updated terms are now available on the policies and procedures manual website. Therefore, the Board considers the recommendation implemented.	X			
18.	2023	A/79/5/Add.8, para. 38	The Board recommends that UNFPA assess and update the terms of reference of its Humanitarian Response Division and establish a clear plan with an	UNFPA stated that the terms of reference for the Humanitarian Response Division were being revised and should be finalized by May 2025. The updated version would include activity schedules and accountability lines and would	The Board acknowledges the efforts of UNFPA in assessing and updating the terms of reference of its Humanitarian Response Division. Considering that the terms of reference close to being issued, the Board considers the		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			activities implementation schedule and accountabilities.	be shared with relevant stakeholders.	recommendation under implementation.				
19.	2023	A/79/5/Add.8, para. 39	The Board recommends that UNFPA take the actions needed to fill the vacant posts in the Humanitarian Response Division.	UNFPA reported that all fixed-term vacant posts in the Humanitarian Response Division had been filled and the recruitment finalized. Two posts remained frozen pending the revision of their terms of reference.	The Board observed that the Humanitarian Response Division's vacancy rate fell from 33 per cent to under 6 per cent as at 28 January 2025. Given that two posts remain frozen pending a revision of the Division's terms of reference, the current vacancy rate is considered reasonable. Therefore, the Board considers the recommendation implemented.	X			
20.	2023	A/79/5/Add.8, para. 50	The Board recommends that UNFPA establish a mechanism to conduct and record in a timely manner the fast-track procedure activation risk assessments and oversee their activation.	UNFPA adopted new policies and procedures for emergency response, effective 1 March 2025, which superseded the former fast-track procedures. The new policy was implemented in the myRisk system.	The Board observed that UNFPA adopted new policy and procedures for emergency response, effective as from 1 March 2025, establishing a risk control matrix and formalizing risk management under the enterprise resource planning framework via the myRisk system. Therefore, the Board considers the recommendation implemented.	X			
21.	2023	A/79/5/Add.8, para. 51	The Board recommends that UNFPA ensure the timeliness of submission of usage reports and subsequent assessment to implement the lessons learned.	UNFPA adopted new policies and procedures for emergency response, effective 1 March 2025, which supersede the former fast-track procedures. UNFPA considers the recommendation implemented.	The Board acknowledges the adoption of the policy and procedures for emergency response, which introduced reporting tools with functions similar to those under the former fast-track procedure. However, no evidence was provided showing timely submission or the existence of a compliance monitoring mechanism. Therefore, the Board considers the recommendation under implementation.		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
22.	2023	A/79/5/Add.8, para. 52	The Board recommends that UNFPA update its policy and procedures in order to align them with the current fast-track procedure.	UNFPA adopted new policies and procedures for emergency response, effective 1 March 2025, which supersede the former fast-track procedures.	The Board observed that UNFPA had adopted the policy and procedures for emergency response, effective 1 March 2025, replacing the fast-track procedures. The Board considers the recommendation implemented.	X			
23.	2023	A/79/5/Add.8, para. 64	The Board recommends that UNFPA issue guidance on risk ranking and subsequent actions depending on the level of risk, in line with the Inter-Agency Standing Committee, with the aim of ensuring that risk assessment ranking, duly advanced preparedness actions and contingency planning are conducted.	UNFPA developed the minimum preparedness actions guidance, currently in the process of being finalized and to be submitted to the Humanitarian Steering Committee. UNFPA considers the recommendation implemented.	The Board acknowledges UNFPA progress in drafting the minimum preparedness actions aligned with the Inter-Agency Standing Committee framework. However, because they are still in draft form and have not yet been approved or implemented, the Board considers the recommendation under implementation.		X		
24.	2023	A/79/5/Add.8, para. 74	The Board recommends that UNFPA conduct the minimum preparedness actions by completing the necessary information and uploading all the relevant documents in strict accordance with the guidance on minimum preparedness actions.	UNFPA stated that the minimum preparedness actions were being finalized after internal feedback. The final draft would be submitted to the Humanitarian Steering Committee, followed by a session with country and regional offices to support roll-out.	The Board acknowledges UNFPA efforts in reviewing the minimum preparedness actions and considers the recommendation under implementation.		X		
25.	2023	A/79/5/Add.8, para. 75	The Board recommends that UNFPA establish a robust oversight mechanism to ensure the quality and completeness by requiring country and regional offices to complete the minimum of preparedness actions.	UNFPA stated that the minimum preparedness actions were being finalized after internal feedback and would be submitted by May 2025. They included guidance on implementation, oversight and validation and clarify roles for country, regional and headquarters units.	The Board acknowledges UNFPA efforts in reviewing the minimum preparedness actions and considers the recommendation under implementation.		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
26.	2023	A/79/5/Add.8, para. 76	The Board recommends that UNFPA review and approve a new version of the guidance on minimum preparedness actions in order to clarify milestones, provision of evidence and responsibilities of headquarters, regional offices and country offices in this matter.	UNFPA reported that the minimum preparedness actions were in the final stage, following feedback from across the organization. The final draft would be submitted to the Humanitarian Steering Committee, after which a session would be held with country and regional offices to support roll-out.	The Board acknowledges UNFPA efforts in reviewing the minimum preparedness actions and considers the recommendation under implementation.		X		
27.	2023	A/79/5/Add.8, para. 88	The Board recommends that the Humanitarian Response Division, in coordination with the Supply Chain Management Unit, ensure the implementation of the humanitarian supplies strategy activities through the precise identification of a cost proposal, the assignment of accountabilities and the needed budget arrangements in Quantum.	UNFPA developed a revised strategy implementation plan, including a breakdown of activities for the implementation of the humanitarian supplies strategy. In addition, the Humanitarian Response Division and the Supply Chain Management Unit agreed on the functional accountability framework to ensure clarity regarding responsibilities and accountabilities. UNFPA considers the recommendation implemented.	The Board acknowledges UNFPA efforts to improve clarity on the humanitarian supplies strategy through a revised plan and accountability framework. However, without formal endorsement or evidence of QuantumPlus integration for planning and budgeting, the Board considers the recommendation under implementation.		X		
28.	2023	A/79/5/Add.8, para. 89	The Board recommends that UNFPA establish a monitoring mechanism to ensure that the action plans submitted to the Executive Board are fully implemented.	UNFPA established a joint work plan between the Supply Chain Management Unit and the Humanitarian Response Division for 2024–2025, with implementation ongoing. Quarterly review meetings began in March 2025 (quarter 1) to monitor progress, evaluate funding constraints and adjust or reprioritize activities, as necessary.	The Board acknowledges UNFPA efforts to implement a monitoring mechanism. However, no evidence confirms that the first 2025 meeting occurred or that the process is formalized. Without records or formal approval, effective oversight cannot be assured. Therefore, the Board considers the recommendation under implementation.		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
29.	2023	A/79/5/Add.8, para. 104	The Board recommends that UNFPA assess its internal control activities and apply the necessary adjustments considering the use of Quantum.	UNFPA reported that recommendation implementation was in progress. Access controls were in place and a policy on segregation of duties in system user roles has been issued. Additional reports and dashboards were under development.	The Board acknowledges UNFPA efforts in reviewing and issuing the policy on segregation of duties in system user roles. Therefore, this recommendation is considered under implementation.		X		
30.	2023	A/79/5/Add.8, para. 105	The Board recommends that UNFPA update the resource management policy and related guidelines to reflect the Quantum procedures and controls.	UNFPA has formally issued the new policy and uploaded it to the policies and procedures manual website.	The Board observed that UNFPA reviewed and updated its policy to remove references to the former Atlas system. However, some guidelines within the Strategic Resource Planning Branch community still refer to Atlas procedures, such as the guidance note for the implementation of the institutional budget and the guidance note on cost classification and cost recovery. Therefore, the Board considers the recommendation under implementation.		X		
31.	2023	A/79/5/Add.8, para. 106	The Board recommends that UNFPA implement a tool similar to the financial data quality dashboard to assist in the monitoring of field offices.	UNFPA reported that the enhanced dashboard is under development, with the Information Technology Solutions Office and the Division for Management Services collaborating to finalize requirements for its release by the end of 2025.	The Board reviewed the information provided by UNFPA. However, because no evidence was submitted to confirm progress on the development of the enhanced dashboard, the Board considers the recommendation not implemented.			X	
32.	2023	A/79/5/Add.8, para. 107	The Board recommends that UNFPA align its financial management community with Quantum resources.	UNFPA has provided access to the launch message for the new Finance Branch community page, which was launched on 11 December 2024.	The Board observed that UNFPA updated the financial management community website, including links and posts related to the new systems (Quantum, QuantumPlus and PowerBI). Therefore, the Board considers the recommendation implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
33.	2023	A/79/5/Add.8, para. 118	The Board recommends that UNFPA implement a mechanism to ensure timely operational and financial closures.	UNFPA reported that QuantumPlus introduced a centralized mechanism by which project identifiers were system-generated, were linked to programme cycles and become inaccessible after the cycle ends, ensuring automatic operational closure. UNFPA considers the recommendation implemented.	The Board acknowledges UNFPA efforts. However, financial closure remains manual and dependent on Finance Branch procedures. Thus, given that the mechanism is only partially implemented, the Board considers the recommendation under implementation.		X		
34.	2023	A/79/5/Add.8, para. 119	The Board recommends that UNFPA update the guidance note on programme cycles, project identification and activity identification creation and closure, and related procedures, with the aim of reflecting the processes to be implemented in the Quantum system.	UNFPA stated that with the launch of QuantumPlus, the previous guidance note became obsolete. In response, a new email was prepared to serve as operational guidance on programme cycles and project closures, which UNFPA considers a replacement and plans to disseminate to all staff. UNFPA considers the recommendation implemented.	The Board acknowledges UNFPA efforts. However, the draft does not meet the formal requirements set in UNFPA policy for issuing official guidance. Therefore, the Board considers the recommendation under implementation.		X		
35.	2023	A/79/5/Add.8, para. 131	The Board recommends that UNFPA establish the necessary procedures to align its current ICT environment with all ISO/IEC 27000 standards in a timely manner in order to support compliance with the information security policy.	UNFPA stated that, beyond policies issued since the interim audit (ICT, threats and vulnerabilities, acceptable use, hardware and software guidelines and security awareness), and the 2024 security programme, the Information Technology and Solutions Office obtained approval for remaining policies on identity and access management, third-party risk, and network/cloud security.	The Board concluded that the recommendation to align with ISO/IEC 27000 standards was addressed through six key documents mentioned in the information security policy. Thus, the recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management’s response	Board’s assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
36.	2023	A/79/5/Add.8, para. 132	The Board recommends that UNFPA formulate a procedure for conducting comprehensive and periodic reviews of the segregation of duties in Quantum to ensure that different staff members are responsible for distinct parts of any task to prevent errors.	UNFPA reports that it issued a segregation of duties policy in 2024, setting clear principles and minimum standards, and requiring annual role reviews by heads of unit. The first full certification was completed in April 2024 and the 2025 cycle launched in April 2025. The Information Technology and Solutions Office coordinates the process to ensure that roles are properly reviewed, certified and aligned with policy standards. UNFPA therefore considers the recommendation fully implemented.	The Board observed that UNFPA adopted a formal segregation of duties policy in 2024, setting controls and review mechanisms for system roles in Quantum. The policy requires annual role certifications by heads of office and includes preventive and detective controls, such as role conflict checks and oversight. The 2024 certification was completed and the 2025 cycle started as planned. These measures meet the recommendation and embed formality and regular review. Therefore, the Board considers the recommendation implemented.	X			
37.	2023	A/79/5/Add.8, para. 143	The Board recommends that UNFPA conduct an updating exercise of the policies and procedures manual, establishing deadlines for each content owner, with the aim of reflecting the technological and organizational changes in a timely manner.	UNFPA management provided a phased workplan to fulfil the recommendation, which includes action such as mapping technological changes affecting policies, revising policies on the basis of the mapping exercise and ensuring their submission for promulgation, with a target completion date of December 2025.	The Board observed that UNFPA had developed a phased workplan. However, many policies still require substantive updates and several planned actions extend into 2025. Therefore, the recommendation is considered under implementation.		X		
38.	2023	A/79/5/Add.8, para. 156	The Board recommends that UNFPA reinforce the accountability of the country offices in the data quality of procurement records for locally procured goods.	UNFPA has issued a guidance note for managing procurement in Quantum, offering step-by-step instructions to ensure accurate data entry. These data can be monitored from a management perspective through the Quantum procurement dashboard module. However, UNFPA acknowledges the need for continuous monitoring to further enhance these initiatives.	The Board verified that UNFPA had implemented measures to strengthen headquarters oversight of accountability and to provide country offices with clearer guidance on documentation preparation and data entry processes. While there remains room for improvement in addressing manual input into the system, the Board considers the recommendation implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
39.	2023	A/79/5/Add.8, para. 157	The Board recommends that UNFPA record both accurately and in a timely manner the supplies, in accordance with the nature of the transaction (physical receipt, storage, handover, disposals and adjustments) and in agreement with the applicable accounting standards.	UNFPA informed that it launched the QuantumPlus shipment tracker, which auto-generated documents and fed a PowerBI dashboard to enhance real-time inventory visibility. The system eliminated backdating and negative balances, enforced mandatory fields and real-time validations for quantities and units of measure and supported the automated generation of handover documents, which simplified the process of releasing inventory and promoted timely and accurate transaction reporting. UNFPA also provided updated guidance that clarifies roles, validations and inventory certification rules. UNFPA considers the recommendation implemented.	The Board acknowledges progress through the roll-out of the QuantumPlus shipment tracker. However, locally procured supplies still rely on manual processing, and no source-level account-coding preventive controls were evidenced to address the accuracy and timeliness of supply recognition and classification. Therefore, the Board considers the recommendation under implementation.		X		
40.	2023	A/79/5/Add.8, para. 158	The Board recommends that UNFPA update the guidance to include all locally procured goods, reflecting all relevant concepts and categories used during the performance of the procedure.	UNFPA has released a guidance note on managing procurement in Quantum, providing step-by-step instructions to ensure accurate data entry. The previously applied $20,000 threshold for recording programme supplies in the shipment tracker has been eliminated, enabling a more comprehensive and transparent inventory overview, regardless of item value. The Quantum procurement dashboard module now allows management to monitor all relevant concepts and categories regarding local procurements.	UNFPA has provided sufficient evidence of issuing an updated guidance note for managing procurement more broadly and of implementing improvements to the monitoring of local procurements through the system. Therefore, the Board considers this recommendation implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
41.	2023	A/79/5/Add.8, para. 173	The Board recommends that UNFPA ensure that its country offices record transactions in Quantum relating to the pre-positioning in a timely manner.	UNFPA enhanced the shipment tracker to allow automated generation of delivery slips and programme supplies distribution agreements. In addition, UNFPA has developed a PowerBI dashboard to extract data from the QuantumPlus shipment tracker. UNFPA considers the recommendation fully implemented.	The Board acknowledges UNFPA enhancements to inventory monitoring. However, these improvements address general tracking and do not demonstrate systematic recording of pre-positioned supply transactions in Quantum by country offices, as required. Therefore, the Board considers the recommendation under implementation.		X		
42.	2023	A/79/5/Add.8, para. 174	The Board recommends that UNFPA implement a monitoring and reportability mechanism for country offices that maintain pre-positioned supplies to avoid manual errors and inaccuracies and to ensure that inventories are delivered to final beneficiaries and used for their intended purposes.	UNFPA improved oversight of pre-positioned supplies by developing a PowerBI dashboard linked to the shipment tracker, introducing automated delivery slips and programme supplies distribution agreements and conducting red-flag analyses. Though not fully automated, these measures enhance visibility and control, effectively addressing the recommendation.	The Board acknowledges UNFPA improvements in supply tracking but notes that they address general inventory processes rather than the specific monitoring mechanism for pre-positioned supplies. No evidence was provided of full life-cycle tracking or tailored inventory controls. Therefore, the Board considers the recommendation under implementation.		X		
43.	2023	A/79/5/Add.8, para. 175	The Board recommends that the UNFPA Humanitarian Response Division incorporate guidelines regarding compliance with pre-positioned supply planning to maintain supplies in warehouses for timely emergency response	UNFPA finalized and shared the humanitarian health supplies preparedness operational guide, identifying national pre-positioning as an advanced preparedness measure on the basis of risk analysis. It includes guidance on item selection, storage, stock rotation, oversight and compliance, and will be complemented by a future policy on warehouse and stock management.	The Board acknowledges that UNFPA issued the humanitarian health supplies preparedness operational guide for use across country offices. Therefore, the Board considers the recommendation implemented.	X			

						Status after verification			
No.	*Audit report year*	*Report reference*	*Recommendation*	*Management's response*	*Board's assessment*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*
44.	2023	A/79/5/Add.8, para. 185	The Board recommends that UNFPA establish a monitoring mechanism for the risks included in the policy related to the management of programme supplies.	UNFPA stated that the risks identified in the policy on management of programme supplies had been reviewed and that they were incorporated into the corporate risk management framework through the strategic information system. This system ensures effective monitoring and fulfils the intent of the audit recommendation.	The Board verified that the strategic information system included relevant programme supply risks and controls, enabling centralized monitoring. These risks are integrated into the corporate framework and actively monitored. Therefore, the Board considers the recommendation implemented.	X			
45.	2023	A/79/5/Add.8, para. 186	The Board recommends that UNFPA implement automatic controls in Quantum to prevent country offices from procuring pharmaceuticals and medical devices without authorization and restrict the purchase of contraceptives at this level.	UNFPA reported ongoing discussions between the Information Technology Solutions Office and the Supply Chain Management Unit to define system requirements and estimate additional work hours resulting from the implementation of this control.	The Board reviewed the information provided by UNFPA. Given that no evidence was submitted to confirm the progress of discussions or definition of system requirements, the Board considers the recommendation not implemented.			X	
46.	2023	A/79/5/Add.8, para. 187	The Board recommends that UNFPA categorize the products in Quantum according to the type of programme supplies to enable monitoring by the Supply Chain Management Unit.	UNFPA launched the supply chain – procurement dashboard in April 2025. While Quantum lacks automated product categorization by supply type, the dashboard enables real-time visibility and categorization, allowing the Supply Chain Management Unit to monitor procurement patterns effectively. UNFPA considers the recommendation implemented.	The Board acknowledges that the dashboard improves visibility but does not replace the need for a systematic mechanism within or integrated with Quantum to categorize programme supplies. Without this integration, enforcement of prior authorizations and compliance controls remains limited. Thus, the Board considers the recommendation under implementation.		X		

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
47.	2023	A/79/5/Add.8, para. 202	The Board recommends that UNFPA develop a control mechanism for the signed and posted agreements to prevent delays in the recording of revenue.	UNFPA stated that, for non-core resources, the policy for earmarked resources was revised in October 2024, detailing recording processes, roles, responsibilities and timelines. For core resources, a standard operating procedure finalized in December 2024 provided guidance on recording, recognition and quality control responsibilities.	The Board observed that UNFPA had included in its policies and standard operating procedures controls and regular reconciliations that, in principle, mitigate the risk of delays in revenue recognition. Therefore, this recommendation is considered implemented.	X			
48.	2023	A/79/5/Add.8, para. 203	The Board recommends that UNFPA implement a mechanism to enable the oversight and traceability of the agreements from the negotiation process to the revenue posting in Quantum, by codifying the negotiation processes and developing dashboards.	UNFPA reported that the Division for External Relations, together with the Information Technology Solutions Office and the Division for Management Services, were exploring next steps to advance the integration between systems related to donor agreements, which are expected to have been determined by the end of December 2025.	The Board reviewed the information provided by UNFPA. However, because no evidence was submitted to demonstrate progress in the integration between the systems, the Board considers the recommendation not implemented.			X	
49.	2023	A/79/5/Add.8, para. 204	The Board recommends that UNFPA issue a new version of the terms of reference of the Resource Mobilization Branch to reflect its current accountabilities, systems used, functions and interactions with the Finance Branch.	UNFPA management stated that the terms of reference had been updated to clarify the Public Funding and Financing Branch's responsibility for recording contribution agreements and their amendments, as well as for ensuring the quality of Quantum records related to contribution revenue and associated transactions. UNFPA considers the recommendation implemented.	The Board noted that the terms of reference, as revised in September 2024, outline the high-level functions of the Division for Communications and Strategic Partnerships and its units. However, they do not specify the systems used, their functions or their interaction with the Finance Branch. This information was not found in any other official sources. Therefore, the Board considers that the recommendation remains under implementation.		X		
	Total number of recommendations				**49**	**19**	**24**	**6**	**–**
	Percentage of total number of recommendations				**100**	**39**	**49**	**12**	**0**

Chapter III
Certification of the financial statements

Letter dated 29 April 2025 from the Director of the Division for Management Services of the United Nations Population Fund addressed to the Chair of the Board of Auditors

I certify that, to the best of my knowledge, information and belief, all material transactions have been properly reflected in the accounting records and are properly reflected in the appended financial statements.

I, acknowledge that:

The management of the United Nations Population Fund (UNFPA) is responsible for the integrity and objectivity of the financial information included in these financial statements.

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards and include certain amounts that are based on management's best estimates and judgments.

Accounting procedures and related systems of internal control provide reasonable assurance that assets are safeguarded, that the books and records properly reflect all transactions and that, overall, policies and procedures are implemented with an appropriate segregation of duties. The Office of Audit and Investigation Services continually reviews the accounting and control systems.

UNFPA management provided the Office of Audit and Investigation Services with full and free access to all accounting and financial records and related supporting documents.

The recommendations of the Board of Auditors and the Office of Audit and Investigation Services are reviewed by UNFPA management. Internal control procedures have been revised or are in the process of revision, as appropriate, in response to those recommendations.

I am in receipt of a letter of certification from the Chief Financial Officer, Bureau for Management Services, United Nations Development Programme (UNDP), which provides the same assurances with respect to UNDP accounting procedures and related systems of control to the extent that services are provided by UNDP to UNFPA, in line with the management agreement currently in force and its subsequent amendments, and in conformity with UNFPA financial rule 116.3 (a).

(*Signed*) Iva Goricnik **Christian**
Comptroller and Director
Division for Management Services

Chapter IV

Financial report for the year ended 31 December 2024[1]

[1] In the light of the liquidity situation affecting the regular budget of the United Nations and the related management measures implemented by the Secretary-General, chapter IV is made available online at https://digitallibrary.un.org/record/4090386.

Chapter V

Financial statements for the year ended 31 December 2024

United Nations Population Fund

I. Statement of financial position as at 31 December 2024[a]

(Thousands of United States dollars)

	Reference	*31 December 2024*	*31 December 2023*
Assets			
Current assets			
Cash and cash equivalents	Note 3	205 682	181 762
Investments maturing within one year	Note 4	711 097	616 381
Contributions receivable	Note 5 (a)	561 151	641 555
Other receivables	Note 5 (b)	75 239	63 665
Operating fund advances	Note 6 (a)	24 136	22 227
Prepayments and other assets	Note 6 (b)	21 529	21 243
Inventories	Note 7	111 546	103 537
Total		**1 710 380**	**1 650 370**
Non-current assets			
Investments maturing after one year	Note 4	1 073 500	911 387
Contributions receivable	Note 5 (a)	250 789	325 846
Other non-current assets	Note 6 (b)	24	24
Property, plant and equipment	Note 8	35 150	35 708
Intangible assets	Note 9	8 613	6 991
Total		**1 368 076**	**1 279 956**
Total assets		**3 078 456**	**2 930 326**
Liabilities			
Current liabilities			
Accounts payable and accruals	Note 10	174 520	151 741
Employee benefits	Note 12	54 887	51 561
Other current liabilities and deferred revenue	Note 13	11 523	15 620
Total		**240 930**	**218 922**
Non-current liabilities			
Employee benefits	Note 12	312 411	300 342
Other non-current liabilities and deferred revenue	Note 13	2 893	3 074
Total		**315 304**	**303 416**
Total liabilities		**556 234**	**522 338**
Net assets		**2 522 222**	**2 407 988**
Reserves and fund balances			
Reserves			
Operational reserve	Note 14	75 895	76 677
Humanitarian response reserve	Note 14	5 500	5 500
Reserve for field accommodation	Note 14	5 000	5 000
Total reserves		**86 395**	**87 177**
Fund balances			
Designated unearmarked fund balances	Note 14	90 421	118 855
Undesignated unearmarked and earmarked fund balances			
Unearmarked resources	Note 14	575 496	659 073
Earmarked resources	Schedule B	1 769 910	1 542 883
Total fund balances		**2 435 827**	**2 320 811**
Total reserves and fund balances		**2 522 222**	**2 407 988**

[a] The accompanying notes are an integral part of the financial statements.

United Nations Population Fund

II. Statement of financial performance for the year ended 31 December 2024[a]

(Thousands of United States dollars)

	Reference	*2024*	*2023*
Contribution revenue			
Unearmarked contributions	Schedule A	231 071	364 139
Less: transfer to other revenue of income tax reimbursements	Note 15	(6 969)	(4 181)
Subtotal	**Note 15**	**224 102**	**359 958**
Earmarked contributions	Note 15	1 269 611	1 015 141
Less: refunds to donors	Note 15	(25 831)	(33 139)
Net movement in allowance for doubtful contributions receivable	Note 15	(24 613)	677
Subtotal	**Note 15**	**1 219 167**	**982 679**
Total contribution revenue	**Note 15**	**1 443 269**	**1 342 637**
Other revenue	Note 16	192 224	222 652
Total revenue		**1 635 493**	**1 565 289**
Expenses			
Staff costs	Note 18	409 754	380 376
Reproductive health and other programme-related supplies	Note 18	241 186	276 507
Cash assistance programmes	Note 18	8 762	6 001
Development and training of counterparts	Note 18	137 507	162 534
Supplies, materials and operating costs	Note 18	238 572	258 115
Contracted and professional services	Note 18	346 412	338 302
Finance costs	Note 18	2 900	1 315
Travel	Note 18	63 716	67 768
Depreciation and amortization	Notes 8, 9, 18	9 074	8 322
Impairment	Note 18	27	620
Other expenses	Note 18	70 103	10 558
Total expenses	**Notes 17, 18**	**1 528 013**	**1 510 418**
Surplus for the year	**Statements III and IV**	**107 480**	**54 871**

[a] The accompanying notes are an integral part of the financial statements.

United Nations Population Fund

III. Statement of changes in net assets for the year ended 31 December 2024[a]

(Thousands of United States dollars)

	Reference	*Fund balances*	*Reserves*	*Total net assets*
Balance as at 31 December 2022		**2 235 626**	**98 196**	**2 333 822**
Movements in fund balances and reserves in 2023				
Transfers to/from operational reserve	Note 14	11 019	(11 019)	–
Actuarial gain on employee benefits liabilities	Note 14	19 295	–	19 295
Transfers within UNFPA resources				
Reserve for field accommodation	Note 14	(2 703)	2 703	–
Surplus/(deficit) for the year	Note 14, statement II	57 574	(2 703)	54 871
Total movements during the year		**85 185**	**(11 019)**	**74 166**
Balance as at 31 December 2023		**2 320 811**	**87 177**	**2 407 988**
Movements in fund balances and reserves in 2024				
Transfers to/from operational reserve	Note 14	782	(782)	–
Actuarial gain on employee benefits liabilities	Note 14	6 754	–	6 754
Transfers within UNFPA resources				
Reserve for field accommodation	Note 14	(1 330)	1 330	–
Surplus/(deficit) for the year	Note 14, statement II	108 810	(1 330)	107 480
Total movements during the year		**115 016**	**(782)**	**114 234**
Balance as at 31 December 2024		**2 435 827**	**86 395**	**2 522 222**

[a] The accompanying notes are an integral part of the financial statements.

United Nations Population Fund

IV. Cash flow statement for the year ended 31 December 2024[a]

(Thousands of United States dollars)

	Reference	2024	2023
Cash flows from operating activities			
Surplus for the year	Statement II	107 480	54 871
Adjustments to reconcile surplus for the year to net cash flows:			
Unrealized (gain)/loss on foreign exchange translation		(4 881)	(8 855)
Unrealized (gain)/loss on investments recognized in surplus	Notes 4, 16	(9 934)	(1 262)
Investment (revenue)/loss presented as investing activities	Note 16	(82 966)	(88 792)
Depreciation and amortization	Notes 8, 9, 18	9 074	8 322
Impairment and write-off of property, plant and equipment and intangible assets		22	563
Loss on disposal of property, plant and equipment	Note 18	(63)	(69)
Changes in assets			
(Increase)/decrease in contributions receivable		131 753	(78 841)
(Increase)/decrease in other receivables		(10 704)	(29 400)
(Increase)/decrease in operating fund advances		(7 106)	(230)
(Increase)/decrease in prepayments and other assets	Note 6 (b)	(286)	(4 794)
(Increase)/decrease in inventories	Note 7	(10 189)	(16 939)
Increase/(decrease) in provisions/allowance for doubtful accounts	Notes 5 (a), 5 (b), 6 (a), 6 (b), 7	38 530	954
Changes in liabilities and net assets			
Increase/(decrease) in accounts payable and accruals		22 889	53 882
Increase/(decrease) in employee benefits liabilities	Note 12	15 395	3 898
Actuarial gain/(loss) on employee benefits liabilities	Statement III	6 754	19 295
Increase/(decrease) in other liabilities and deferred revenue		(4 278)	4 640
Net cash flows from operating activities		**201 490**	**(82 757)**
Cash flows from investing activities			
Purchases of investments	Note 4	(1 420 584)	(670 517)
Maturities and sales of investments	Note 4	1 171 745	534 695
Interest received	Notes 4, 5 (b), 16	59 509	46 464
Dividend received	Notes 5 (b), 16	770	2 749
Gain/(loss) on sale of investments	Note 16	19 143	(1 311)
Purchase of/adjustments to property, plant and equipment and intangible assets	Notes 8, 9	(11 881)	(11 561)
Proceeds from sale of property, plant and equipment		1 799	771
Net cash flows from investing activities		**(179 499)**	**(98 710)**
Cash flows from financing activities			
Payment of finance lease liabilities	Note 11	–	–
Net cash flows from financing activities		**–**	**–**
Net increase/(decrease) in cash and cash equivalents		**21 991**	**(181 467)**
Cash and cash equivalents at the beginning of the year	Note 3	181 762	363 145
Effect of exchange rate changes on cash and cash equivalents		1 929	84
Cash and cash equivalents end of the year	**Note 3**	**205 682**	**181 762**

[a] The accompanying notes are an integral part of the financial statements.

The cash flow statement is presented using the “indirect method”.

United Nations Population Fund

V (a). Statement of comparison of budget with actual amounts for the year ended 31 December 2024[a]

(Thousands of United States dollars)

	2024			
Budget line	*Original budget*	*Final budget*	*Budget utilization*	*Variance/ balance of resources*
Development activities				
Development effectiveness	39 047	40 818	40 416	402
Programmes	268 865	285 570	275 369	10 201
United Nations development coordination	4 438	4 438	3 870	568
Management activities	148 035	151 389	143 126	8 263
Independent oversight and assurance activities	18 145	18 596	16 353	2 243
Special purposes	4 789	5 891	4 072	1 819
Total	**483 319**	**506 702**	**483 206**	**23 496**

[a] The accompanying notes are an integral part of the financial statements.

V (b). Statement of comparison of budget with actual amounts for the period 2022–2024 of the strategic plan cycle for the period 2022–2025[a]

(Thousands of United States dollars)

	2022–2025			
Budget line	*Original budget*	*Final budget*	*Budget utilization*	*Variance/ balance of resources*
Development activities				
Development effectiveness	116 551	117 672	116 126	1 546
Programmes	796 304	902 105	868 013	34 092
United Nations development coordination	12 658	12 658	11 610	1 048
Management activities	437 922	442 242	409 664	32 578
Independent oversight and assurance activities	48 328	51 057	43 069	7 988
Special purposes	14 954	16 866	12 684	4 182
Total	**1 426 717**	**1 542 600**	**1 461 166**	**81 434**

[a] The accompanying notes are an integral part of the financial statements.

The scope of the budget for the purpose of statement V includes the institutional budget and programme activities funded from unearmarked resources. Further details are provided in note 2 (xxiii) to the financial statements.

United Nations Population Fund
Notes to the 2024 financial statements

Note 1
Mission statement, organizational objectives and reporting entity

Mission statement

The United Nations Population Fund (UNFPA) is the United Nations sexual and reproductive health agency. Its mission is to deliver a world where every pregnancy is intended, every childbirth is safe and every young person's potential is fulfilled. UNFPA helps governments integrate population issues into their national development agenda to improve societies' well-being and resilience, and promote sustained and inclusive economic growth and sustainable development. UNFPA supports countries in promoting and protecting the human rights of all persons to sexual and reproductive health, and in building national capacities to collect, analyse and use population data to eliminate poverty and achieve the Sustainable Development Goals.

Organizational objectives

UNFPA works to advance the right to sexual and reproductive health for all by accelerating progress towards achieving the goals of the Programme of Action of the International Conference on Population and Development and the 2030 Agenda for Sustainable Development. It seeks to achieve three transformative results: zero unmet need for family planning, zero preventable maternal deaths and zero gender-based violence and harmful practices by 2030. With that focus, UNFPA aims to improve the lives of underserved populations, especially women, adolescents and young people, in more than 150 countries and across development and humanitarian settings.

UNFPA work is guided by its expertise in population dynamics, sexual and reproductive health, human rights and gender equality, and driven by the specific needs of countries. UNFPA is a catalyst for action and advocacy, partnering with governments, other United Nations organizations, civil society and the private sector to make a positive difference in the lives of billions of people, especially those most in need. In addition, UNFPA helps countries to use population data to anticipate emerging and future challenges through the provision of technical guidance, policy advice, training and support, and it advocates for the mobilization of the resources and political will necessary to accomplish its work.

UNFPA is committed to advancing sexual and reproductive health and reproductive rights, to advancing gender equality, and to the empowerment of women and girls everywhere. All couples and individuals have the right to decide freely and responsibly the number and spacing of their children, as well as the right to the information and means to do so. UNFPA believes that safeguarding and promoting those rights and promoting the well-being of adolescents and young people, especially girls, are not only development goals in themselves, but are critical to achieving inclusive and transformational sustainable development. UNFPA recognizes that all human rights are universal, indivisible, interdependent and interrelated – they apply to all people in all cases.

UNFPA supports efforts to ensure a coherent, coordinated United Nations that is responsive to the 2030 Agenda for Sustainable Development, with a powerful field presence, under the leadership of a strengthened resident coordinator system. UNFPA plays an active and leading role in inter-agency processes to facilitate progress towards the achievement of United Nations reform goals for greater development impact.

UNFPA continues to assist in the mobilization of resources at the national and international levels, following the commitments made by all countries under the Programme of Action of the International Conference on Population and Development as well as in related United Nations major conferences and summits to ensure that the goals of the International Conference on Population and Development are met.

Delivering on the promise of the Programme of Action of the International Conference on Population and Development is also essential for achieving the 2030 Agenda for Sustainable Development. Both have the overarching aims of ending extreme poverty, ensuring that all persons enjoy human rights and protecting the environment for current and future generations. The focus of the two interlinked agendas on the demographic dividend, youth and women's empowerment and gender equality, resilience and data for development underscores the relevance and criticality of the leading expertise of UNFPA on sexual and reproductive health and reproductive rights and population and development issues.

UNFPA, working with public and private partners, supports policies and programmes that promote gender equality to achieve the Sustainable Development Goals. Those partnerships are tailored to national and local circumstances.

Reporting entity

UNFPA receives overall policy guidance from the General Assembly and the Economic and Social Council. It reports to its governing body, the Executive Board of the United Nations Development Programme (UNDP), UNFPA and the United Nations Office for Project Services, on administrative, financial, budgetary and programme matters.

UNFPA has its headquarters in New York and operates through a network of more than 150 regional, subregional, country and representation offices around the world.

The financial statements include only the operations of UNFPA, which does not control and is not controlled by any other entity.

Note 2
Accounting policies

Summary of significant accounting policies

The financial statements reflect the application of the following significant accounting policies.

(i) Accounting convention

The financial statements have been prepared on the accrual basis of accounting in accordance with the Financial Regulations and Rules of UNFPA and the International Public Sector Accounting Standards (IPSAS).

(ii) Financial period

The period covered by the financial statements is the year ended 31 December 2024.

(iii) Unit of account

The unit of account used in the financial statements is the United States dollar. Where transactions have been made in other currencies (henceforth referred to as "foreign currencies"), the equivalent in United States dollars is normally established using the appropriate United Nations operational rate of exchange.

Units of currency, assets giving right to units of currency and liabilities to be paid in units of currency are classified as monetary items. All other items are classified as non-monetary items.

All monetary assets and liabilities held in currencies other than the United States dollar are revalued using the United Nations operational rate of exchange in effect as at the reporting date or, in the case of foreign currency investments maintained in the post-employment benefits investment portfolios, a close approximation thereof.

The amounts in the statements and schedules are rounded to the nearest thousand dollars and in the notes to the nearest million or thousand dollars, as indicated. Totals may not add up as a result of rounding.

(iv) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

UNFPA accounts for financial instruments in accordance with IPSAS 41: Financial instruments, which has been applied retrospectively, with an initial application date of 1 January 2023. The details of the impacts of the initial application are provided in the financial statements for the year ended 31 December 2023.

Financial assets and financial liabilities, including contributions and other receivables and payables, are initially recognized when UNFPA becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value, plus or minus transaction costs that are attributable directly to their acquisition or issue, except when such an instrument is classified for measurement at fair value through surplus or deficit. VAT receivables, although presented under "other receivables," do not meet the definition of financial instruments under IPSAS 41 as they arise from statutory obligations rather than contractual arrangements. Accordingly, they are excluded from the scope of IPSAS 41. UNFPA applies recognition and measurement principles consistent with IPSAS requirements for statutory receivables.

At initial recognition, UNFPA measures receivables and payables at their original amount. Financial assets maturing within one year of the reporting date are classified as current assets. Financial assets with a maturity date of more than one year after the reporting date are classified as non-current assets.

a. Financial assets

In line with IPSAS 41, UNFPA classifies financial assets as measured at amortized cost, fair value through net assets or equity or fair value through surplus or deficit based on:

- The objectives of the management model for the different groups of financial assets held, which determines whether cash flows will result from collecting contractual cash flows, selling the assets or both.
- The contractual cash flow characteristics of the assets.

UNFPA manages its financial assets, excluding investments in the post-employment benefits portfolio, with the objective of realizing cash flows by collecting contractual payments over the instruments' life. These assets are typically held until maturity, falling under the "hold to collect cash flows" management model. Financial instruments held under this model have been assessed as giving rise to cash flows that are solely payments of principal and interest and are thus classified as measured at amortized cost.

Investments maintained as part of the post-employment benefits investment portfolios are managed on a fair basis value, in accordance with a documented investment strategy and guidelines, with the objective of maximizing their performance, and have thus been categorized under held for trading and classified as measured at fair value through surplus or deficit.

The determination of the financial assets management models is made at the portfolio level because this best reflects the way the assets are managed, and information is provided to management. The contractual cash flow characteristics of financial assets are assessed for each individual financial instrument held under the different management models.

The table below presents the IPSAS 41 classification of the most significant financial assets held by UNFPA, determined on the basis of the applicable management model and the outcome of the assessment of the contractual cash flow characteristics of the individual instruments:

Management model	*Classification category*	*Financial assets included under this category*
Hold to collect cash flows	Measured at amortized cost	Cash and cash equivalents (cash on hand and at banks, money market funds and time deposits)
		Contribution and other receivables
		Securities (bonds, commercial paper and time deposits) maintained in the working capital investment portfolio
Held for trading	Measured at fair value through surplus or deficit	Securities (fixed-income securities and equities) maintained in the post-employment benefits investment portfolios
		Derivatives (forward contracts and foreign currency options)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and held in banks, in various currencies, and money market instruments and time deposits with a maturity of three months or less from the date of acquisition. They are presented net of allowances for expected exchange losses on restricted use foreign currency bank deposits.

These instruments involve solely the repayment of the amounts deposited and, when applicable, interest at agreed upon rates, and are thus classified as measured at amortized cost.

Contributions receivable

Contributions receivable represent amounts due to UNFPA based on signed contribution agreements, including multi-year contributions, recognized in full at the time the agreements are signed provided that certain criteria are met, except for agreements that have performance conditions beyond the control of UNFPA, or when the value of the receivables cannot be measured reliably, in which case they are recognized when those clauses are satisfied or the receivables can be adequately measured. They are presented net of allowances for doubtful amounts.

As a rule, UNFPA receives only the amounts specified in the contribution agreements and thus classifies and measures these receivables at amortized cost.

Securities held in the working capital investment portfolio

The UNFPA working capital investment portfolio includes bonds, commercial paper and other instruments with fixed or determinable payments and fixed maturities and which are normally held until their maturity.

These instruments are held solely to collect contractual cash flows, consistent with a basic lending arrangement and involving solely the payment of principal and interest. Accordingly, they are classified as measured at amortized cost, calculated using the effective interest rate method.

Post-employment benefits investment portfolios

The UNFPA post-employment benefits portfolios include fixed-income securities and equities which require active trading by the appointed external investment managers to maximize the performance of the portfolio within the approved investment strategy and guidelines.

Given the objective of the portfolios, the instruments they contain are categorized as held for trading and measured at fair value through surplus or deficit.

Derivative instruments

Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties in accordance with the UNFPA investment guidelines. The fair value of derivatives is obtained from counterparties and is compared with internal valuations, which are based on valuation methods and techniques generally recognized as standard in the industry. Derivative instruments that are not designated into hedging relationships are assumed to be held for trading and thus measured at fair value through surplus or deficit.

Other considerations

Financial assets are not reclassified after their initial recognition unless UNFPA changes its management model for managing the respective type of financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

UNFPA derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which UNFPA neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Expected credit losses on investments measured at amortized cost or fair value through net assets or equity are calculated, in conformity with the requirements of IPSAS 41, on the basis of an expected credit loss model for each segment of the portfolio with similar credit risk characteristics which considers published default rates from Standard and Poor’s (S&P) and other relevant statistical measures. The amount of the expected credit loss (or reversal thereof) is recognized, if material, through surplus or deficit or through net assets or equity, as appropriate.

All other financial assets are assessed at the reporting date to determine whether there is objective evidence of impairment of an asset or group of assets. Impairment losses are recognized in surplus or deficit in the statement of financial performance in the year in which they arise and reduce the amount of the assets either directly or through the use of allowance accounts.

An analysis of contributions receivable is performed at the reporting date to determine whether there is any evidence that estimated future cash flows from these contributions receivable would be below their carrying amounts.

Contributions receivable relating to regular resources are presumed to be impaired, and an allowance for their value is made, if they are outstanding for more than three years or are due from donors with a prior history of non-payment.

Contributions receivable relating to other resources are individually reviewed with a special focus on receivables past their payment due dates and/or upon expiration of the correspondent contribution agreements. Should evidence of impairment exist and the effect is quantifiable, an allowance, with the corresponding contribution revenue reduction, is recorded.

b. Financial liabilities

Financial liabilities are classified as measured at amortized cost, calculated using the effective interest rate model, or, if categorized as held for trading or as a derivative, at fair value through surplus or deficit.

Financial liabilities at fair value through surplus or deficit are measured at fair value and net gains and losses, including any interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

UNFPA derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. UNFPA also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in surplus or deficit.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position, only when UNFPA has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Inventories

UNFPA inventories consist primarily of reproductive health commodities and other programme-related supplies controlled by UNFPA, located at identifiable premises or in transit to their destination locations, procured for distribution to beneficiaries, typically through implementing partners, or for sale to third parties. Inventories are measured at the lower of cost and current replacement cost, less any impairment losses, and are expensed when control over them is transferred from UNFPA to implementing partners, beneficiaries or other third parties.

Inventories procured with funding from the global humanitarian stock fund, which was established to maintain strategic stock of reproductive health kits, life-saving goods and safety and security assets primarily for humanitarian response activities, as well as inventories financed through the AccessRH revolving fund, which is intended primarily to maintain a strategic stock of contraceptives, are valued using the weighted average cost method. Inventories procured for direct delivery to field office locations are valued at actual cost.

The cost of inventories includes their purchase price, conversion costs (e.g. kit assembly services) and other costs incurred in bringing the goods to their intended location and condition (e.g. freight costs). For inventories under the control of field offices, the amount of other costs is determined on the basis of standard costs. For inventories acquired through non-exchange transactions (e.g. contributions in kind), the fair value is deemed to be equal to cost.

Items of property, plant and equipment en route to implementing partners as at the reporting date are recorded as property, plant and equipment-like inventories in transit.

(vi) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost comprises each asset's purchase price plus any other costs directly attributable to bringing it to its intended location and condition suitable for use. Repairs, maintenance and insurance costs are not capitalized but expensed as incurred. Where an asset is acquired through donation or the nominal right to use, the fair market value as at the date of acquisition by UNFPA is deemed to be its cost.

The capitalization threshold for property, plant and equipment is $1,000. For asset classes subject to depreciation, a full month's depreciation is charged in the month in which the assets become available for use. No depreciation is charged in the month of the asset's disposal.

Leasehold improvements are recognized as property, plant and equipment at their cost and depreciated over the lower of the remaining useful life of the improvement and the lease term. The capitalization threshold for leasehold improvements is $5,000.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Land and heritage assets are not subject to depreciation. The estimated useful life ranges for the different classes of property, plant and equipment are set out below.

Property, plant and equipment class	*Estimated useful life*
Vehicles	7 years
Furniture and fixtures	6–10 years
Information and communications technology equipment	5–11 years
Heavy machinery and equipment	5–6 years
Leasehold improvements	5 years
Buildings	30 years

(vii) Intangible assets

Intangible assets are capitalized if their cost exceeds $5,000, except for internally developed software, for which the capitalization threshold is $100,000. UNFPA classifies all activities associated with the internal development of intangible assets as pertaining to either a research phase or a development phase. Costs incurred for research phase activities are expensed when incurred. Costs attributable to development phase activities for intangible assets that have met the recognition criteria are capitalized. These costs include personnel costs, contractual services, supplies and materials consumed in generating the assets. Development costs that do not meet the capitalization criteria are expensed as incurred.

Amortization is provided over the estimated useful life of the assets using the straight-line method. The estimated useful life ranges for the different classes of intangible assets are set out below.

Intangible asset class	*Estimated useful life*
Software acquired separately	3–10 years
Software developed internally	3–10 years
Licences and rights	The shorter of the agreement term and useful life in a range of 2–6 years
Intangible assets under development	Not amortized

(viii) Impairment of property, plant and equipment and intangible assets

UNFPA property, plant and equipment and intangible assets are not held for the primary objective of generating a commercial return and are considered "non-cash-generating" for the purpose of assessing impairment.

Impairment reviews are undertaken for all property, plant and equipment and intangible assets at least annually and before each reporting date. If any indication of impairment exists, UNFPA estimates the recoverable service amount for each affected asset and recognizes an impairment loss when such amount is below the asset's carrying amount.

(ix) Employee benefits liabilities

UNFPA recognizes employee benefits liabilities for benefits to which its employees are entitled.

Employees are defined as staff members, within the meaning of Article 97 of the Charter of the United Nations, whose employment and contractual relationship is defined by a letter of appointment, subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter. In practice, this means those persons with a temporary, fixed-term or continuing contract, including Junior Professional Officers.

UNFPA employee benefits are classified into short-term, post-employment and other long-term benefits.

Short-term employee benefits

Short-term employee benefits include annual and home leave entitlements.

Annual leave is an accumulating compensated absence. UNFPA recognizes a liability for the value of accumulated leave days, up to a maximum of 82.5 days as at the reporting date, with up to 60 days commutable to cash upon separation from service.

Home leave travel is available to eligible staff and dependants serving in qualifying countries. The home leave liability represents the expected travel cost of the next home leave entitlement for qualifying staff, as adjusted for the proportion of service yet to be performed until the benefit is vested.

Owing to the short-term nature of these entitlements, short-term employee benefits liabilities are not discounted for the time value of money.

Post-employment employee benefits

Post-employment benefits, payable upon separation from UNFPA, include:

(a) After-service health insurance, which provides worldwide coverage for medical expenses of eligible former staff members and their eligible dependants.

The after-service health insurance liability represents the present value of the UNFPA share of medical insurance costs for present and future retirees and their eligible dependants.

(b) End-of-service entitlements, which comprise repatriation grants and reimbursement of shipping costs and travel expenses.

These benefits are categorized as defined benefit plans. Defined benefit plans are those where the obligation of UNFPA is to provide agreed benefits and therefore UNFPA bears the actuarial risk, that is, that the benefits will cost more or less than expected.

The liability for defined benefit plans is measured at the present value of the defined benefit obligations, calculated by independent actuaries using the projected unit credit method. Changes from the remeasurement of the net defined benefit liability are recognized in net assets. All other changes, such as service costs and net interest, are recognized in the statement of financial performance in the period in which they occur.

The discount rate used to determine the present value of the liability is based on high-quality corporate bond rates.

United Nations Joint Staff Pension Fund

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

The plan exposes UNFPA to actuarial risks associated with the current and former employees of other organizations participating in the Pension Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations. UNFPA and other participants in the Pension Fund are not in a position to identify their share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, UNFPA has treated the plan as if it were a defined contribution plan, in line with the requirements of IPSAS 39: Employee benefits. UNFPA contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.

Other long-term employee benefits

Other long-term employee benefits include workers’ compensation provided under Appendix D to the United Nations Staff Rules in the event of death, disability, injury or illness attributable to the performance of official duties on behalf of the United Nations.

Obligations for this benefit are measured similarly to those for defined benefit plans, with all changes resulting from remeasurement recognized in the statement of financial performance.

(x) Revenue

UNFPA revenue comprises non-exchange and exchange transactions.

Non-exchange transactions are those in which UNFPA receives resources from third parties to be applied towards advancing its mission, without directly giving equal value in return. UNFPA contribution revenue is classified as non-exchange transactions.

Exchange transactions are defined as transactions for which UNFPA provides goods or services to third parties and receives from them an approximately equal value in exchange. Those transactions are similar to "commercial" exchanges. Based on the business model of UNFPA, procurement and supply chain activities on behalf of third parties are currently the only exchange transactions.

UNFPA contribution revenue falls into two distinct categories:

(a) Unearmarked contributions (also referred to as "regular", "core" or "unrestricted" contributions), which represent resources that are unrestricted as to their use;

(b) Earmarked contributions (also referred to as "other", "non-core" or "restricted" contributions), which represent resources that are earmarked as to their use. These include trust funds and special funds. Special funds include the Junior Professional Officers programme, procurement services and other funds.

For both types of contributions, the revenue is recognized at the time a binding agreement exists between UNFPA and the donor, except where conditions are present in the agreement and the donor has previously enforced such conditions, including multi-year agreements. A binding agreement can take many forms such as a formal agreement, an exchange of letters or a note verbale (individually and collectively referred to as an "agreement"). Where resources are provided subject to specific conditions as stated in the agreement and the donor has previously enforced such conditions, recognition is deferred until those conditions have been satisfied.

A revenue reduction is recognized when mutual understanding is reached between UNFPA and a donor, subsequent to receiving a written binding agreement, to reduce previously recognized unearmarked or earmarked contribution revenue.

UNFPA participates in joint funding arrangements with other United Nations organizations and acts as the administrative agent for some pooled funds. The UNFPA share of these pooled contributions is recognized at the time when resource allocations are approved through the appropriate programme governance mechanisms.

Contributions of goods in kind are recognized as revenue at their fair value on the date of signing of enforceable agreements. Valuation is determined by reference to observable market values or by independent appraisals. Contributions of services in kind are not recognized as revenue. A majority of services in kind relate to various consulting and personnel services received free of charge.

Revenue from the sale of UNFPA-controlled goods to external parties is recognized upon transfer of the goods; revenue from performing procurement services is recognized when procurement services are rendered.

(xi) Refunds to donors

Refunds of unspent fund balances at expiration or termination of agreements are recorded when contract language or prior experience indicates that a refund is likely or upon receipt of relevant requests from donors. All refunds to donors are shown as a reduction in contribution revenue.

(xii) Expenses

A percentage of programme activities is implemented by governments, intergovernmental organizations and non-governmental organizations (NGOs), and other United Nations organizations engaged by UNFPA on the basis of signed workplans or other appropriate agreements.

Advances of funds to implementing partners, made on the basis of approved workplans or other programme documents, are initially recorded as operating fund advances. The advances are subsequently liquidated, and expenses recognized, on the basis of reports submitted by the implementing partners prepared in accordance with their own accounting frameworks detailing the costs incurred. Outstanding advances reprogrammed for the implementation of programme activities in the following year are classified as "operating fund advances", and those due to be refunded to UNFPA are classified as "other receivables" in the statement of financial position.

(xiii) Indirect costs

"Indirect costs" mean the expenses incurred by UNFPA as a function of and in support of its activities and programmes, which cannot be unequivocally traced to those activities and programmes. They are funded through cost-recovery charges levied on disbursements (other than operating fund advances) from earmarked resources using the following rates:

(Percentage)

Agreement type	*Rate*
Standard co-financing agreements	8
Thematic trust funds	7
Programme governments, South-South and triangular cooperation contributions	5
Umbrella agreements	0–8

Indirect costs recovered are deducted from earmarked contributions revenue and presented under other revenue for regular resources. The amount of cost-recovery charges is shown as an expense in schedule B to demonstrate total charges to individual trust and special funds.

(xiv) Foreign currency exchange gains and losses

All foreign currency exchange gains and losses, including those arising from contributions receivable, accounts payable, cash and cash equivalents, investments, advances and other monetary balance sheet accounts, are reported within "other revenue" and "other expenses" in the statement of financial performance.

(xv) Leases

Leases are classified as either operating or finance leases.

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of an item of property, plant and equipment to UNFPA, regardless of whether or not the legal title is eventually transferred to UNFPA. The lease term for a finance lease normally covers the majority of the estimated useful life of the leased item. Property, plant and equipment acquired under a finance lease is recorded in the asset registry and is subject to depreciation in the same way as purchased property, plant and equipment. The value capitalized equals the lower of the fair value of the leased item and the present value of the minimum lease payments, as calculated at the inception of the lease.

Operating leases are leases other than finance leases. Operating lease expenses are recognized on a straight-line basis over the lease term. The value of future lease payments within the current lease term for non-cancellable agreements is disclosed in the notes to these financial statements.

(xvi) Donated rights to use

In several locations, UNFPA occupies premises at no cost through donated rights to use granted by the host Governments. Based on their length (or "lease term") and the termination clauses, the donated rights to use can be similar to operating or finance leases. In the latter case, UNFPA is given control over premises for as long as the organization operates in the country and uses the premises.

In the case of operating lease-similar rights to use (principally short term), expense and revenue are recognized in the statement of financial performance for amounts equal to the annual market rent of similar premises. In the case of finance lease-similar rights to use (principally long term), the fair market value of the property is capitalized and revenue is recognized immediately upon assuming control of the premises, unless the property is transferred to UNFPA with specific conditions. In those situations, deferred revenue is recognized for an amount equal to the fair market value of the property. This liability is progressively recognized as revenue over the shorter of the useful life of the property and the right-to-use term in the amount equal to the property's depreciation expense for the same period.

(xvii) Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount. UNFPA recognizes provisions when all of the following three requirements are satisfied: (a) UNFPA has a present legal or constructive obligation as a result of past events; (b) it is probable that UNFPA will be required to settle the obligation; and (c) a reliable estimate can be made of the obligation amount.

Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of UNFPA; or present obligations that arise from past events but that are not recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations; or the amount of the obligations cannot be reliably measured. Contingent liabilities are not recognized, but are disclosed if material.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of UNFPA. Contingent assets are not recognized, but are disclosed if an inflow of economic benefits or service potential is probable.

(xviii) Related parties disclosures

Relevant transactions with third parties related to UNFPA are disclosed. Related parties to UNFPA are those with the ability to exercise significant influence over UNFPA financial and operating decisions. For UNFPA, these are key management personnel, identified as members of the UNFPA Executive Committee, the Director of the Office of Audit and Investigation Services, the Director of the Independent Evaluation Office, the Chief of the Supply Chain Management Unit and the Director of the Information Technology Solutions Office and their close family members, as well as any other individuals acting in one of these roles as officer-in-charge for three months or more in a calendar year. UNFPA discloses the value of transactions with these parties, including salaries and any loans obtained at conditions not generally available.

The UNFPA Executive Board is also considered a related party of the organization as a whole; there are no transactions with the Executive Board to be reported. Significant financial transactions occur with UNDP, but they are not separately disclosed, as UNDP does not have the power to influence the financial and operating policy decisions of UNFPA and given that all transactions for services provided to UNFPA occur under normal arm's length conditions.

(xix) Commitments

Commitments are future liabilities to be incurred by UNFPA on contracts entered into by the reporting date and that UNFPA has minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments, contracts for the supply of goods and services that will be delivered to UNFPA in future periods, non-cancellable minimum lease payments and other non-cancellable commitments. The value of commitments as at 31 December is not recognized in the statement of financial position and is disclosed in the notes to the financial statements. Commitments related to employment contracts are excluded from this disclosure.

(xx) Supply chain services

UNFPA provides supply chain services on behalf and at the request of governments, the United Nations and its funds, programmes and specialized agencies, other intergovernmental institutions and NGOs.

UNFPA receives a handling fee in respect of these services at a standard rate of 7 per cent (increased on 1 July 2024 from the previous standard rate of 5 per cent), presented as part of other revenue.

Amounts prepaid on orders not fulfilled as at the reporting date are presented as "accounts payable and accruals" in the statement of financial position. Receivables for orders fulfilled ahead of the receipt of funds are reported as "other receivables" in the statement of financial position.

The cost of goods sold under orders fulfilled from UNFPA stock is recognized as other revenue and expense in the statement of financial performance, with the corresponding handling fee recognized as other revenue. For orders fulfilled from suppliers' stock, only the handling fee is recognized in the statement of financial performance.

(xxi) Use of estimates

These financial statements necessarily include amounts based on estimates and assumptions by management. Estimates include, but are not limited to, fair value of assets, impairment losses, useful lives, accrued charges, after-service health insurance and other employee benefits liabilities and contingent assets and liabilities. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

Accounting estimates used by management for the preparation of these statements are consistent with the estimates used for the purpose of the 2023 financial statements.

(xxii) Transitional provisions

UNFPA did not apply any IPSAS transitional provisions in the year ended 31 December 2024.

(xxiii) Comparison of budget with actual amounts

UNFPA prepares its budget on a modified cash basis. A comparison between budget and actual amounts on a budget comparable basis is presented in statement V. The scope of the budget for the purpose of this statement encompasses the institutional budget plus programme activities funded from unearmarked resources. The organization's institutional budget was prepared on a quadrennial basis for the period 2022–2025 and annualized by management for the purpose of determining internal resource allocation.

The original budget is based on the projected unutilized surpluses brought forward and the initial projections of contributions for the year. The final budget reflects the actual figures for both these elements at the time of the final allocation.

Expenses on a modified cash basis for budgeted activities are presented as budget utilization.

(xxiv) Adoption of new accounting standards and changes in accounting policies

In 2024, UNFPA did not adopt any new accounting standards or changes in accounting policies.

(xxv) Change in accounting estimates and errors

In 2024, UNFPA did not introduce any significant changes in accounting estimates or presentation in these financial statements.

(xxvi) Future accounting changes

In January 2022, the IPSAS Board issued IPSAS 43: Leases, replacing IPSAS 13: Leases. The new standard no longer requires classification of leases as either finance or operating, and introduces a new requirement to recognize assets and liabilities for rights and obligations created by the lease agreements. Adoption of the new standard is likely to result in an increase in both assets and liabilities relating to leases, currently classified as operating. UNFPA will perform a thorough assessment of the impact of the new standard on its financial statements, and will adopt the standard, as required, on its effective date of 1 January 2025.

In March 2023, the IPSAS Board approved two new standards: IPSAS 47: Revenue, which is a single standard to account for revenue transactions in the public sector; and IPSAS 48: Transfer expenses. IPSAS 47 replaces the existing three revenue standards: IPSAS 9: Revenue from exchange transactions; IPSAS 11: Construction contracts; and IPSAS 23: Revenue from non-exchange transactions (taxes and transfers). These new standards are likely to have an impact on UNFPA revenue recognition practices and accounting relating to implementing partner transfers. These IPSAS will be effective for periods beginning on 1 January 2026.

In June 2024, the IPSAS Board approved amendments to IPSAS 43: Leases, IPSAS 47: Revenue, and IPSAS 48: Transfer expenses, in order to address concessionary leases and other arrangements conveying rights over assets, which are prevalent in the public sector. These amendments are effective for periods beginning on or after 1 January 2027.

In January 2025, the IPSAS Board approved amendments to IPSAS standards related to specific International Financial Reporting Interpretations Committee interpretations. These updates, which will take effect from 1 January 2026, which provide supplementary definitions and guidance for several key standards, including IPSAS 19: Provisions, contingent liabilities and contingent assets, IPSAS 43: Leases, IPSAS 45: Property, plant and equipment, and IPSAS 39: Employee benefits, among others. These amendments will be effective for periods beginning 1 January 2026.

There are other new IPSAS standards that will become effective in future years: IPSAS 44: Non-current assets held for sale and discontinued operations, IPSAS 45: Property, plant and equipment, IPSAS 46: Measurement, IPSAS 49: Retirement benefit plans, and IPSAS 50: Exploration for and evaluation of mineral resources. The impact of the adoption of these new standards on the financial statements of UNFPA is expected to be limited and the standards will be implemented on their effective dates where applicable.

Note 3
Cash and cash equivalents

Cash and cash equivalents held by UNFPA as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Cash		
Cash on hand	14	30
Cash at banks	13 540	12 818
Cash held in investment portfolios	11 090	8 973
Less: allowance for restricted use bank balances	(763)	(763)
Cash equivalents		
Money market funds	180 027	129 817
Time deposits	1 774	30 887
Total	**205 682**	**181 762**

Cash required for immediate disbursements is maintained on hand and at banks, in United States dollars and in foreign currencies, as shown in note 25.

Cash held in investment portfolios represents cash held in overnight sweep accounts within the post-employment benefits investment portfolios, for subsequent investment into longer-term financial instruments or for portfolio rebalancing purposes. Note 4 provides more details on the purpose and composition of the UNFPA investment portfolios.

The allowance for restricted use bank balances reflects expected exchange losses on foreign currency bank deposits held in one programme country.

Cash equivalents are highly liquid financial instruments, such as money market funds, time deposits and bonds, with a maturity of three months or less from the date of acquisition, that are held in the UNFPA working capital investment portfolio.

UNFPA exposure to credit risk, liquidity risk and market risk and the related risk management activities related to financial assets, including cash and cash equivalents, are discussed in note 25.

Note 4
Investments

Investments held by UNFPA as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Maturing within one year		
Working capital investment portfolio (at amortized cost)	705 550	613 545
Post-employment benefits investment portfolio (at fair value)	5 547	2 836
Subtotal	**711 097**	**616 381**
Maturing after one year		
Working capital investment portfolio (at amortized cost)	705 762	577 018
Post-employment benefits investment portfolio (at fair value)	367 738	334 369
Subtotal	**1 073 500**	**911 387**
Total	**1 784 597**	**1 527 768**

The working capital investment portfolio, managed by UNDP on behalf of UNFPA, following UNDP investment guidelines and its governance framework, is limited to high-quality, highly marketable fixed-income securities, with maturities aligned to UNFPA liquidity requirements. Investments are registered in the name of UNFPA and are held by custodians appointed by UNDP. Securities maintained in this portfolio are classified as hold to collect cash flows and are carried at amortized cost.

Financial instruments with maturity periods of more than three months held in this portfolio as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024		*31 December 2023*	
	Market value	*Amortized cost*	*Market value*	*Amortized cost*
Bonds	1 180 052	1 186 031	913 722	933 299
Commercial paper	225 461	225 281	172 312	172 264
Time deposits	–	–	85 000	85 000
Total	**1 405 513**	**1 411 312**	**1 171 034**	**1 190 563**
Of which:				
Maturing within one year	704 114	705 550	607 263	613 545
Maturing after one year	701 399	705 762	563 771	577 018
Total	**1 405 513**	**1 411 312**	**1 171 034**	**1 190 563**

In addition, the working capital investment portfolio included $181.8 million in financial instruments with maturities of three months or less (2023: $160.7 million), reported under cash and cash equivalents (see note 3).

Bonds held in the working capital investment portfolio as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024		31 December 2023	
Bond types	*Market value*	*Amortized cost*	*Market value*	*Amortized cost*
Non-United States sovereign obligations	80 395	80 480	457 146	464 295
Supranational organizations	326 093	335 755	296 553	304 393
United States government and agencies	448 526	451 512	110 539	114 627
Corporate	325 038	318 284	49 484	49 984
Total	**1 180 052**	**1 186 031**	**913 722**	**933 299**

In 2024, the average yield on the working capital investment portfolio increased to 3.79 per cent (2023: 2.97 per cent).

Two separate portfolios were established in 2016 and 2021, respectively, jointly with other United Nations organizations, to invest resources allocated to fund after-service health insurance liabilities and other end-of-service entitlements. Both portfolios are managed by two independent external investment managers and are governed by the same investment guidelines and a joint governance mechanism. Consistent with their purpose, the portfolios consist of diversified, higher-yielding financial instruments, which include cash and cash equivalents, fixed-income securities and equities. Securities and equities held in these portfolios are classified as hold for trading and are measured at fair value through surplus or deficit, with gains and losses, both realized and unrealized, recognized in surplus or deficit.

Financial instruments with maturity periods of longer than three months held in these portfolios as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024		31 December 2023	
	Market value	*Base cost*	*Market value*	*Base cost*
Fixed-income securities	148 144	159 614	135 103	143 999
Equities	225 141	184 106	202 102	173 576
Total	**373 285**	**343 720**	**337 205**	**317 575**
Of which:				
Fixed-income securities maturing within one year	5 547	5 544	2 836	2 863
Fixed-income securities maturing after one year and equities	367 738	338 176	334 369	314 712
Total	**373 285**	**343 720**	**337 205**	**317 575**

In addition, the after-service health insurance investment portfolios included 11 million in cash and financial instruments with maturities of three months or less (2023: $9 million), reported under cash and cash equivalents (see note 3).

The after-service health insurance and end-of-service entitlements portfolios are each managed by the two separate investment managers. The annual net returns (after deducting investment managers' fees) earned by the after-service health insurance portfolios in 2024 ranged from 7.06 to 15.65 per cent (2023: 14.00 to 16.97 per cent) and those earned by the end-of-service entitlements portfolios in 2024 ranged from 6.98 to 15.50 per cent (2023: 13.86 to 16.66 per cent).

UNFPA did not have any investment impairments during the year. The organization's exposure to credit, liquidity and market risks and the related risk management activities are discussed in note 25.

Of the total cash and investments held as at 31 December 2024, $674.6 million were restricted in use as follows (2023: $593.6 million):

	Reference	*Amount*
Funds held by UNFPA on behalf of joint programmes in the capacity of administrative agent	Note 10	$30.5 million
Funding for employee benefits liabilities[a]	Note 12	$526.2 million
Operational reserve	Note 14	$75.9 million
Humanitarian response reserve	Note 14	$5.5 million
Reserve for field accommodation	Note 14	$5.0 million
Balance of the private endowment trust	Note 14	$31.5 million

[a] Including the investments held in the externally managed post-employment benefits investment portfolios worth $384.3 million, comprising $11 million in cash and financial instruments with original maturities of three months or less, as well as cash and cash equivalents invested through the working capital investment portfolio.

The movements of investments within the working capital investment portfolio were as follows:

(Thousands of United States dollars)

	Bonds		*Commercial paper*		*Time deposits*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
Opening balance	**933 299**	**1 035 864**	**172 264**	**30 856**	**85 000**	**–**	**1 190 563**	**1 066 720**
Add: purchases	630 394	289 330	646 605	175 000	–	85 000	1 276 999	549 330
Less: maturities	(356 281)	(390 968)	(592 769)	(30 856)	(85 000)	–	(1 034 050)	(421 824)
Less: sales	(20 000)	–	–	–	–	–	(20 000)	–
Amortization	(1 381)	(927)	(819)	(2 736)	–	–	(2 200)	(3 663)
Closing balance	**1 186 031**	**933 299**	**225 281**	**172 264**	**–**	**85 000**	**1 411 312**	**1 190 563**

The movements of investments within the post-employment benefits investment portfolios were as follows:

(Thousands of United States dollars)

	Fixed-income securities		*Equities*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*
Opening balance	**135 103**	**115 690**	**202 102**	**172 083**	**337 205**	**287 773**
Add: purchases	29 894	37 822	113 691	83 365	143 585	121 187
Less: maturities	(2 527)	(1 230)	(22)	(7)	(2 549)	(1 237)
Less: sales	(12 008)	(26 208)	(103 138)	(85 426)	(115 146)	(111 634)
Amortization	256	189	–	–	256	189
(Loss)/gain in fair value recognized in:						
Surplus/(deficit)	(2 574)	8 840	12 508	32 087	9 934	40 927
Closing balance	**148 144**	**135 103**	**225 141**	**202 102**	**373 285**	**337 205**

Following the implementation of IPSAS 41 as from 1 January 2023, all gains and losses, both realized and unrealized, arising from changes in the fair value of the securities and equities held in the post-employment benefits investment portfolios are recognized in surplus or deficit. Previously, in line with IPSAS 29, unrealized investment gains and losses were reflected in net assets.

Note 5
Contributions receivable and other receivables

(a) Contributions receivable

Contributions receivable as at the reporting date, presented net of the allowance for doubtful accounts, were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Non-exchange transactions		
Contributions receivable (current)	560 517	640 244
Unearmarked resources	132 074	174 103
Earmarked resources	428 443	466 141
Contributions receivable (non-current)	250 789	325 846
Unearmarked resources	18 374	141 355
Earmarked resources	232 415	184 491
Exchange transactions		
Contributions receivable (current)	634	1 311
Total	**811 940**	**967 401**

Contributions receivable from unearmarked and earmarked resources represent either amounts committed in current and prior years but not yet collected by the end of the reporting period or amounts to be collected in future years, mainly in relation to multi-year donor agreements.

The distinction between current and non-current receivables is based on their due date. Current contributions receivable are expected to be collected within 12 months of the reporting date, and non-current receivables are expected to be collected after that date.

Ageing analysis

The ageing of contributions receivable as at the reporting date was as follows:

(Thousands of United States dollars)

	31 December 2024		*31 December 2023*	
	Unearmarked	*Earmarked*	*Unearmarked*	*Earmarked*
2020 and prior	–	–	19	529
2021	10	–	10	–
2022	18	4 224	119	18 120
2023	90	2 744	346	97 550
2024	100	86 826	–	–
Contributions receivable as at 31 December	**218**	**93 794**	**494**	**116 199**

	31 December 2024		*31 December 2023*	
	Unearmarked	*Earmarked*	*Unearmarked*	*Earmarked*
Contributions receivable not yet due as at 31 December	152 185	596 430	314 983	539 863
Allowance for doubtful contributions receivable	(1 955)	(28 732)	(19)	(4 119)
Total	**150 448**	**661 492**	**315 458**	**651 943**

A breakdown of contributions receivable from unearmarked and earmarked resources by donor is provided in schedule A (excluding the allowance for doubtful contributions receivable) and schedule B, respectively.

Allowance for doubtful contributions receivable

The movements in the allowance for doubtful contributions receivable were as follows:

(Thousands of United States dollars)

	2024	*2023*
Allowance at 1 January	**(4 138)**	**(4 838)**
Contributions receivable for which collection is now considered doubtful	(26 568)	(10)
Contributions receivable written off	14	33
Recoveries and reversals for contributions receivable for which collection was previously considered doubtful	5	677
Allowance at 31 December	**(30 687)**	**(4 138)**

The increase of $26.6 million in the allowance for doubtful contributions receivable is attributable primarily to contributions from a single Member State that announced a cessation of its funding to UNFPA in early 2025 (see note 22).

(b) Other receivables

Other receivables as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Accrued dividends	180	227
Accrued interest	15 347	9 812
Advances to staff	890	892
Balance receivable from United Nations organizations	28 342	14 757
Receivables from procurement activities	9 524	16 975
Recoverable value added/sales taxes	6 364	5 228
Refunds due from implementing partners	10 258	6 883
Miscellaneous accounts receivable	10 774	10 727
Less: allowance for doubtful other receivables	(6 440)	(1 836)
Total other receivables	**75 239**	**63 665**

The movements in the allowance for doubtful other receivables were as follows:

(Thousands of United States dollars)

	2024	*2023*
Allowance at 1 January	**(1 836)**	**(2 976)**
Other receivables for which collection is now considered doubtful	(4 668)	(145)
Other receivables written off	–	–
Recoveries and reversals of other receivables for which collection was previously considered doubtful	64	1 285
Allowance at 31 December	**(6 440)**	**(1 836)**

Note 6
Operating fund advances, prepayments and other assets

(a) Operating fund advances

Outstanding operating fund advances by implementing partner category as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Governments	4 253	3 585
Intergovernmental institutions and non-governmental organizations	18 322	13 828
United Nations organizations	7 796	5 852
Less: allowance for doubtful advances	(6 235)	(1 038)
Total	**24 136**	**22 227**

The movements in the allowance for doubtful operating fund advances were as follows:

(Thousands of United States dollars)

	2024	*2023*
Allowance at 1 January	**(1 038)**	**(948)**
Advances for which collection is now considered doubtful	(5 213)	(412)
Advances written off	–	–
Recoveries and reversals for advances for which collection was previously considered doubtful	16	322
Allowance at 31 December	**(6 235)**	**(1 038)**

(b) Prepayments and other assets

Prepayments and other assets as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Current		
Unamortized education grant benefits	4 620	3 003
Prepayment of contributions to the resident coordinator system	3 870	3 870
Other prepayments	13 039	14 370
Total current	**21 529**	**21 243**
Non-current		
Other assets	24	24
Total non-current	**24**	**24**
Total prepayments and other assets	**21 553**	**21 267**

Note 7
Inventories

Inventories held by UNFPA as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Reproductive health and other programme-related supplies:	115 408	104 752
In transit	73 202	49 132
In stock	42 206	55 620
Property, plant and equipment-like inventories in transit	1 331	1 798
Provisions for impairment losses	(5 193)	(3 013)
Total	**111 546**	**103 537**

Inventory movements were as follows:

(Thousands of United States dollars)

	2024	*2023*
Inventories held as at 1 January	**103 537**	**89 302**
Additions	253 675	275 803
Issues	(242 148)	(258 415)
Provisions for impairment losses	(2 180)	(2 704)
Inventory adjustments and write-downs	(1 338)	(449)
Inventories held as at 31 December	**111 546**	**103 537**

The provision for impairment losses as at 31 December 2024 includes a $4.3 million component for potential losses on stocks of reproductive health commodities and other programme supplies held at warehouses located in two programme countries that could not be accessed by UNFPA personnel in the normal course of operations owing to ongoing humanitarian crises and conflicts.

Note 8
Property, plant and equipment

Property, plant and equipment (or fixed assets) movements and balances were as follows:

(Thousands of United States dollars)

	Land		*Buildings*		*Furniture and fixtures*		*Information and communications technology equipment*		*Vehicles*		*Leasehold improvements*		*Machinery and equipment*		*Assets under construction and not yet available for use*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
Cost																		
As at 1 January	227	227	15 976	13 571	2 539	4 294	24 047	22 864	37 827	36 742	9 485	9 850	2 603	–	1 591	2 059	94 295	89 607
Additions	–	–	69	1 845	260	223	3 215	3 482	2 336	3 711	670	757	318	196	2 393	1 528	9 261	11 742
Disposals	–	–	(71)	(60)	(155)	(81)	(2 999)	(2 155)	(3 713)	(2 219)	(299)	(49)	(131)	(55)	–	–	(7 368)	(4 619)
Impairment reversal/ (impairment)	–	–	–	–	–	(11)	–	(15)	–	(407)	–	(117)	–	(5)	–	–	–	(555)
Adjustments/reclassifications	–	–	48	620	31	(1 886)	23	(129)	–	–	(3)	(956)	(1)	2 467	(793)	(1 996)	(695)	(1 880)
As at 31 December	**227**	**227**	**16 022**	**15 976**	**2 675**	**2 539**	**24 286**	**24 047**	**36 450**	**37 827**	**9 853**	**9 485**	**2 789**	**2 603**	**3 191**	**1 591**	**95 493**	**94 295**
Accumulated depreciation																		
As at 1 January	–	–	5 461	4 747	1 647	3 024	15 053	14 205	26 535	25 140	7 805	7 976	2 086	–	–	–	58 587	55 092
Depreciation charges	–	–	555	331	165	154	2 873	2 764	2 966	3 252	609	781	213	193	–	–	7 381	7 475
Disposals	–	–	(36)	(53)	(106)	(70)	(2 426)	(1 934)	(2 659)	(1 907)	(271)	(47)	(127)	(49)	–	–	(5 625)	(4 060)
Adjustments/reclassifications	–	–	1	436	2	(1 461)	–	18	–	50	(2)	(905)	(1)	1 942	–	–	–	80
As at 31 December	**–**	**–**	**5 981**	**5 461**	**1 708**	**1 647**	**15 500**	**15 053**	**26 842**	**26 535**	**8 141**	**7 805**	**2 171**	**2 086**	**–**	**–**	**60 343**	**58 587**
Net book value as at 1 January	**227**	**227**	**10 515**	**8 824**	**892**	**1 270**	**8 994**	**8 659**	**11 292**	**11 602**	**1 680**	**1 874**	**517**	**–**	**1 591**	**2 059**	**35 708**	**34 515**
Net book value as at 31 December	**227**	**227**	**10 041**	**10 515**	**967**	**892**	**8 786**	**8 994**	**9 608**	**11 292**	**1 712**	**1 680**	**618**	**517**	**3 191**	**1 591**	**35 150**	**35 708**

Assets under construction and not yet available for use pertain primarily to lease improvements and to property, plant and equipment items in transit to field locations as at the reporting date. Most fixed assets under construction and not yet available for use as at the end of 2023 were placed in service in 2024 and are presented in their respective categories.

UNFPA occupies one office building under a commercial finance lease arrangement. Its net book value as at the end of 2024 was $0.4 million.

The value of outstanding commitments for fixed assets procured for use by UNFPA and implementing partners as at 31 December 2024 was $0.6 million (2023: $1.6 million). As at 31 December 2024, the cost of fully depreciated property, plant and equipment items which were still in use amounted to $34.3 million (2023: $35.3 million).

Note 9
Intangibles

Intangible assets movements and balances were as follows:

(Thousands of United States dollars)

	Software acquired separately		*Software developed internally*		*Intangible assets under development*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
Cost								
As at 1 January	338	338	7 704	2 912	1 346	4 439	9 388	7 689
Additions	7	–	2 864	1 245	505	454	3 376	1 699
Disposals	(62)	–	(857)	–	(61)	–	(980)	–
Impairment	–	–	–	–	–	–	–	–
Adjustments/reclassifications	–	–	1 285	3 547	(1 285)	(3 547)	–	–
As at 31 December	**283**	**338**	**10 996**	**7 704**	**505**	**1 346**	**11 784**	**9 388**
Accumulated amortization								
As at 1 January	279	210	2 118	1 340	–	–	2 397	1 550
Amortization charges	44	69	1 649	778	–	–	1 693	847
Disposals	(62)	–	(857)	–	–	–	(919)	–
As at 31 December	**261**	**279**	**2 910**	**2 118**	**–**	**–**	**3 171**	**2 397**
Net book value as at 1 January	**59**	**128**	**5 586**	**1 572**	**1 346**	**4 439**	**6 991**	**6 139**
Net book value as at 31 December	**22**	**59**	**8 086**	**5 586**	**505**	**1 346**	**8 613**	**6 991**

Internally developed software capitalized in 2024 for $4.1 million includes costs amounting to $1.8 million for new modules and functionalities in Quantum Plus, the UNFPA resource planning and results reporting system. Other costs capitalized in 2024 include $1.3 million for version 3 of the population data platform portal, $0.9 million for a gender-based violence case management e-learning tool and $0.1 million for a regional data warehouse and analytical data software application. Of the $4.1 million, $1.3 million was capitalized in previous years as intangible assets under development.

In addition to recognized intangible assets, UNFPA uses other intangible items under its control that do not meet the recognition criteria of IPSAS 31: Intangible assets, and UNFPA accounting policies. These items include: (a) the business intelligence and analytics platform for financial, programme and other management data analysis and reporting; (b) the messaging and collaboration platform providing access to various applications such as email, calendar, file storage and other functionalities; and (c) the document management system.

In addition, in 2024, UNFPA incurred research costs of $1.8 million, mainly related to Quantum Plus. These costs were expensed in 2024.

As at 31 December 2024, UNFPA had no material commitment for purchases of intangible assets (2023: nil). The cost of fully amortized intangible assets, still in use by the end of 2024, amounted to $0.2 million (2023: $1.0 million), corresponding primarily to the licence for a suite of office productivity applications.

Note 10
Accounts payable and accruals

Accounts payable and accruals as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Accounts payable	23 872	23 524
Accrued liabilities	36 225	32 525
Advances for procurement activities	32 111	23 303
Funds held on behalf of joint programmes	30 543	20 126
Reimbursements due to implementing partners and payables on their behalf	26 775	29 247
Payables for purchases of investment portfolio securities	–	70
Refunds due to donors	24 994	22 946
Total	**174 520**	**151 741**

Funds held on behalf of joint programmes reflect contributions received and administered by UNFPA in its capacity as administrative agent for programme activities to be implemented in conjunction with other United Nations organizations and to be distributed based on an agreed programme of work.

Reimbursements due to implementing partners and payables on their behalf reflect primarily costs incurred for the implementation of programme activities not yet disbursed by UNFPA, or payables for new operating fund advances.

Note 11
Finance leases

As at 31 December 2024, UNFPA had one finance lease agreement for an office building in one programme country. In 2024, UNFPA did not make any leasing payments for those premises, as its obligations under the agreement were fulfilled in previous years.

Note 12
Employee benefits

Employee benefits liabilities as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	31 December 2023
Current		
Short-term employee benefits		
Accumulated annual leave	39 608	36 928
Accumulated home leave	4 098	3 719
Post-employment and other long-term employee benefits		
Repatriation benefits (inactive staff) [a]	1 381	1 123
Repatriation benefits (active staff)	3 906	4 767
After-service health insurance	5 830	4 963
Workers' compensation	64	61
Total current	**54 887**	**51 561**
Non-current		
Post-employment and other long-term employee benefits		
Repatriation benefits (active staff)	31 509	30 260
After-service health insurance	279 827	269 006
Workers' compensation	1 075	1 076
Total non-current	**312 411**	**300 342**
Total employee benefits liabilities	**367 298**	**351 903**

[a] Inactive staff are those who had already separated from UNFPA as at the reporting date.

Short-term employee benefits

Short-term employment benefits provided by UNFPA to its staff in line with the Staff Regulations and Rules of the United Nations include annual leave and home leave.

Accumulated annual leave

This liability represents the amount of annual leave days accrued by staff members as at the reporting date, which can be utilized as compensated time in future periods. The liability is accrued as service is rendered based on effective daily salary rates, without discounting.

Accumulated home leave

This liability represents the accumulated amount as at the reporting date of anticipated travel costs for eligible staff and their dependants for their next home leave. It is accrued as service is rendered, is not discounted and cannot be compensated upon end of service.

Post-employment and other long-term employee benefits

In line with the Staff Regulations and Rules of the United Nations, UNFPA staff members are provided with repatriation, after-service health insurance and workers' compensation benefits.

Repatriation benefits

Internationally recruited staff members meeting certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to repatriation grants, which are based on length of service, travel and removal expenses.

Repatriation benefits are classified as a defined benefit plan. The liability is recognized for all staff members meeting minimum eligibility criteria, from the date of hire, even if the benefits are not yet vested.

A separate liability is established in the actual amounts due to be paid to inactive staff members already separated from UNFPA who have not claimed their entitlements as at the reporting date.

After-service health insurance

Staff members, and their eligible dependants, may elect to participate in a UNFPA-subsidized health insurance plan upon the end of service, provided they have met certain eligibility requirements, including 10 years of participation in a contributory health insurance plan of the United Nations for staff members recruited after 1 July 2007 and 5 years for those recruited prior to this date.

This benefit is referred to as the after-service health insurance and is provided primarily through the United States-based insurance plans and the worldwide health insurance plan, both administered by the United Nations, and the Medical Insurance Plan, administered by UNDP.

After-service health insurance is classified as a defined benefit plan. The liability is recognized for all staff members meeting minimum eligibility criteria, from the date of hire, even if the benefits are not yet vested.

Workers' compensation

In accordance with Appendix D to the United Nations Staff Rules, UNFPA staff members are entitled to receive compensation in the event of death, disability, injury or illness attributable to the performance of official duties.

This benefit, classified as "other long-term employee benefit" and accounted similarly to a defined benefit plan, is only recognized as a liability upon occurrence of events that will result in compensation payments.

Measurement of post-employment and other long-term employee benefits

Net defined benefit liabilities for post-employment and other long-term employee benefits obligations are measured by independent actuaries using the projected unit credit method.

The liability amounts are estimated by discounting future cash flows required to settle the obligation, based on census data of employees meeting minimum eligibility criteria, using certain financial, demographic and behavioural assumptions, including discount and healthcare cost trend rates, annual salary increases, travel cost increases, cost-of-living adjustments, retiree payments, mortality, withdrawal and retirement projections, scheme enrolment assumptions and probability of marriage at retirement.

UNFPA normally performs a full actuarial valuation every two years. In the year when a full valuation is not performed, liability amounts are established through the roll forward of the previous-year census data, including the review and update of key assumptions.

Resources set aside by UNFPA for funding employee benefits liabilities (see the section on funding below for more details) do not qualify as plan assets under IPSAS 39: Employee benefits, because such funds are not held in a trust that is legally separate from UNFPA and which was set up solely to pay or fund the employee benefits. Therefore, liabilities for post-employment and other long-term employee benefits are equal to the present value of the related defined benefit obligations.

2024 actuarial valuation

Summary of main assumptions

The post-employment employee benefits liabilities as at 31 December 2024 were determined using data from the 2023 actuarial valuation, with the exception of the discount rate and healthcare cost trend rate, which were updated in 2024. By contrast, workers' compensation benefits liabilities were based on a full actuarial valuation.

Key assumptions used for the valuation purposes were as follows:

(Percentage)

	After-service health insurance		*Repatriation benefits (active staff)*		*Workers' compensation*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*
Single equivalent discount rate	5.60	4.81	5.55	4.95	5.58	4.85
Annual salary increase			4.07–9.37	4.07–9.37		
Travel cost increase			2.50	2.30		
Cost-of-living adjustment					2.50	2.30

The discount rates were set on the basis of the market yields on high-quality corporate bonds with maturity dates approximating the terms of future payments. Annual salary increase and cost-of-living adjustment assumptions were consistent with those used by the United Nations Joint Staff Pension Fund for the actuarial valuation of pension benefits. Travel cost increases were projected on the basis of a United States long-term inflation assumption.

The healthcare cost trend rates used for measurement of the after-service health insurance liability were as follows:

	2024			*2023*		
Plan	*Initial (percentage)*	*Final (percentage)*	*Grade down (years)*	*Initial (percentage)*	*Final (percentage)*	*Grade down (years) – Restated*
United States, non-Medicare	9	3.85	8	8.00	3.65	8
United States, Medicare	8.85	3.85	8	7.40	3.65	8
United States, dental	6.80	3.85	8	3.65	3.65	None
Non-United States – Switzerland	6	2.15	8	8.00	2.35	5
Non-United States – Eurozone	6.90	3.75	10	7.70	3.95	13

For the full actuarial valuation as at 31 December 2023, the per capita medical claims costs were estimated on the basis of actual claims and enrolment experience for the period 2018–2022 observed across all plans, except for the United Nations Staff Mutual Insurance Society against Sickness and Accident, which uses the 2018–2020 experience, and UNDP Medical Insurance Plan, which uses the 2016–2020 experience provided by the third-party administrators. For the actuarial valuation as at 31 December 2024, these assumptions were updated to reflect the expected claims cost trend rate for 2024.

Estimated payments of plan participants towards after-service health insurance costs were deducted from the net liability amount by applying the following cost-sharing ratios approved by the General Assembly:

(Percentage)

Plan	*By retiree*	*By organization*
United States-based plans	33.00	67.00
Worldwide health insurance plan	50.00	50.00
Medical Insurance Plan	25.00	75.00

Mortality, withdrawal and retirement projections used for measurement of the after-service health insurance liability were consistent with those used by the United Nations Joint Staff Pension Fund for actuarial valuation of pension benefits. Scheme enrolment, probability of marriage at retirement and age difference between spouses were estimated on the basis of historic trends.

2024 actuarial valuation results

The reconciliation of opening and closing balances for post-employment and other long-term employee benefits liabilities is provided in the table below:

(Thousands of United States dollars)

	After-service health insurance (net)	*Repatriation benefits (active staff)*	*Workers' compensation*	*2024*	*2023*
As at 1 January	**273 969**	**35 027**	**1 137**	**310 133**	**309 107**
Current service cost	9 441	1 401	25	10 867	10 352
Net interest	13 252	1 617	44	14 913	16 219
Benefits paid	(4 479)	(2 402)	(56)	(6 937)	(6 303)
Actuarial (gains)/losses arising from:					
Changes in financial assumptions	(6 526)	(1 272)	(72)	(7 870)	(5 841)
Changes in demographic assumptions	–	–	–	–	(8 245)
Experience adjustments	–	1 044	61	1 105	(5 156)
As at 31 December	**285 657**	**35 415**	**1 139**	**322 211**	**310 133**

The current service cost for after-service health insurance and repatriation benefits is the increase in the liability amounts resulting from employee service in the current period. The current service cost for workers' compensation reflects the addition of current year events and changes to the compensation plan.

Net interest reflects the increase in the liability amounts resulting from future employee benefits being closer to settlement. Both current service costs and net interest are recognized in surplus or deficit for the year.

Benefits paid reflect the employer share of health insurance premiums and the repatriation benefits and workers' compensation benefits paid by UNFPA during the year. They are recorded as reductions to the liability. Differences between actual and actuarially estimated benefits paid are classified as a remeasurement of the net defined benefit liability arising from experience adjustments and are recognized in net assets.

Based on actuarial estimates, benefits to be paid by UNFPA during the next reporting period will amount to $6.02 million for after-service health insurance, $4.06 million for repatriation benefits and $0.07 million for workers' compensation benefits.

Actuarial gains and losses represent the changes in the present value of the obligation amounts due to changes in financial and demographic assumptions and experience adjustments (differences between the previous actuarial assumptions and what has actually occurred).

Actuarial gains and losses on post-employment benefits are recognized in net assets. In 2024, an actuarial gain was recorded on after-service health insurance owing primarily to the increase in the interest rates used to calculate the net present value of the benefits, offset slightly by losses from higher healthcare cost trend rates. Changes in the accumulated actuarial gains and losses were as follows:

(Thousands of United States dollars)

	After-service health insurance (net)	*Repatriation benefits (active staff)*	*Total*
As at 31 December 2023	(89 833)	12 604	(77 229)
(Gain) for current period	(6 526)	(228)	(6 754)
As at 31 December 2024	**(96 359)**	**12 376**	**(83 983)**

Actuarial gains and losses on workers' compensation are recognized in surplus or deficit for the year. The actuarial gain recorded in 2024 originated primarily from the increase in the discount rate used.

The present value of the after-service health insurance liability as at the reporting date, both gross and net of payments by plan participants, was as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Gross liability	447 501	433 485
Offset from payments made by plan participants	(161 844)	(159 516)
Net liability	**285 657**	**273 969**

The weighted average duration of the defined benefit obligations as at 31 December 2024 was 20 years for after-service health insurance, 7 years for repatriation benefits and 13 years for workers' compensation (2023: 21 years, 8 years and 12 years, respectively).

Sensitivity analysis

The valuation of post-employment and other long-term employee liabilities is sensitive to variations in key assumptions such as the discount and healthcare cost trend rates. The table below demonstrates the impact that a 0.50 per cent change in the single equivalent discount rate or healthcare cost trend rate would have on the net defined benefit liability amounts and combined annual service and net interest costs (all other assumptions remaining constant):

(Thousands of United States dollars)

	After-service health insurance			
	Year-end liability	*Sum of service and net interest costs*	*Repatriation benefits liability (active staff)*	*Workers' compensation liability*
Single equivalent discount rate				
0.50 per cent increase	(24 468)		(1 096)	(56)
0.50 per cent decrease	27 966		1 168	61
Healthcare cost trend rate				
0.50 per cent increase	30 305	3 019		
0.50 per cent decrease	(26 612)	(2 594)		
Cost-of-living adjustment rate				
0.50 per cent increase				66
0.50 per cent decrease				(61)

Funding for employee benefits liabilities

Funding allocated for employee benefits liabilities in 2024 increased by $73.3 million (2023: increase of $75.0 million), as detailed below:

(a) Net investment gain of $44.3 million generated by funds set aside for funding of employee benefits liabilities (2023: gain of $48.6 million);

(b) Payroll charges for after-service health insurance (net of premium payments), repatriation benefits, annual leave and home leave of $29.0 million (2023: $26.4 million).

(Thousands of United States dollars)

Employee benefits liabilities	*Accrued liability*	*Funding*	*Unfunded liability*
After-service health insurance	285 657	432 191	(146 534)
Repatriation benefits	36 796	41 181	(4 385)
Annual leave	39 608	48 997	(9 389)
Home leave	4 098	4 221	(123)
Workers' compensation	1 139	(353)	1 492
Total	**367 298**	**526 237**	**(158 939)**

As at 31 December 2024, resources allocated to fund employee benefits liabilities other than workers' compensation exceed the liability amounts by $160.4 million (2023: by $102.5 million). This high funding ratio is partially attributable to the high interest rates used in the actuarial valuations in 2023 and 2024, the changes in per capita claim amounts reflected in the 2023 valuation, as well as the positive rate of return on the investment portfolio achieved for 2024 and the strategy put in place by UNFPA to fund employee benefits liabilities.

The funding level is highly sensitive to future trends and events that affect the key financial assumptions used for the measurement of the liabilities, and the excess funding level is expected to reverse once fiscal policies for inflation change and global interest rates reduce, which will increase the liability amounts. UNFPA will continually monitor the situation to ensure that liabilities remain fully funded, as far as possible, without the build-up of any surpluses.

Changes in the unfunded liabilities were as follows:

(Thousands of United States dollars)

	31 December 2023	*Increase/ (decrease) in liability*	*Net increase/ (decrease) in funding*	*31 December 2024*
	Unfunded liability			*Unfunded liability*
After-service health insurance	(98 113)	11 688	60 109	(146 534)
Repatriation benefits	–	646	5 031	(4 385)
Annual leave	(4 221)	2 680	7 848	(9 389)
Home leave	(122)	379	380	(123)
Workers’ compensation	1 410	1	(81)	1 492
Total	**(101 046)**	**15 394**	**73 287**	**(158 939)**

Pension benefits

UNFPA is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined benefit plan. As specified in article 3 (b) of its Regulations, membership in the Pension 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 plan exposes UNFPA to actuarial risks associated with the current and former employees of other organizations participating in the Pension Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations. UNFPA and other participants in the Pension Fund are not in a position to identify their proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, UNFPA has treated the plan as if it were a defined contribution plan, in line with the requirements of IPSAS 39: Employee benefits. UNFPA contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.

The Regulations of the Pension Fund state that the Pension Board shall have an actuarial valuation made of the Pension 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 Pension Fund will be sufficient to meet its liabilities.

The financial obligation of UNFPA to the Pension Fund consists of its mandated contribution, at the rate established by the General Assembly, currently at 7.9 per cent for participants and 15.8 per cent for participating organizations, of the applicable pensionable remuneration, together with its share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked the provision of article 26, following the determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date.

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

The actuarial valuation as at 31 December 2023 resulted in a funded ratio of actuarial assets to actuarial liabilities of 111.0 per cent (117.0 per cent in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation of benefits) were taken into account.

The funded ratio was 152.0 per cent (158.2 per cent in the 2021 valuation) when the current system of pension adjustments was not taken into account.

After assessing the actuarial sufficiency of the Pension Fund, the consulting actuary concluded that there was no requirement, as at 31 December 2023, for deficiency payments under article 26 of the Regulations of the Pension Fund, as the actuarial value of assets exceeded the actuarial value of all accrued liabilities. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as at the valuation date. At the time of preparation of these financial statements, the General Assembly had not invoked the provision of article 26.

Should article 26 be invoked owing to an actuarial deficiency, either during the ongoing operation or owing to the termination of the Pension Fund, the deficiency payments required from participating organizations would be proportionate to their contributions paid during the three years preceding the valuation date. Total contributions paid to the Pension Fund during the preceding three years (2021, 2022 and 2023) amounted to $9,499.41 million, of which $134.8 million (1.42 per cent) was contributed by UNFPA.

During 2024, contributions paid to the Pension Fund by UNFPA amounted to $54.1 million (2023: $48.3 million). Estimated contributions to be paid in 2025 are not expected to be materially different from these amounts.

Membership in the Pension Fund may be terminated by decision of the General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Pension Fund at the date of termination shall be paid to the former participating organizations for the exclusive benefit of their staff who were participants in the Pension Fund at that date, pursuant to arrangements mutually reached between the organizations and the Pension Fund. The amount is determined by the Pension Board on the basis of an actuarial valuation of the assets and liabilities of the Pension Fund on the date of termination; no part of the assets that are in excess of the liabilities will be included in the amount.

The Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board and the General Assembly on the audit every year. The Pension Fund publishes quarterly reports on its investments, which are available at www.unjspf.org.

Note 13
Other current and non-current liabilities and deferred revenue

Other current and non-current liabilities and deferred revenue as at the reporting date were as follows:

(Thousands of United States dollars)

	31 December 2024	*31 December 2023*
Current		
Other current liabilities	5 484	6 683
Deferred revenue	5 790	7 347
Derivative liabilities	249	1 590
Total current	**11 523**	**15 620**
Non-current		
Deferred revenue	2 893	3 074
Total non-current	**2 893**	**3 074**
Total other liabilities and deferred revenue	**14 416**	**18 694**

Deferred revenue includes the unamortized portion of the donated right to use premises (finance lease-similar, amounting to $2.9 million, most of which are classified as non-current), and contributions to regular and other resources received in advance or due for reimbursement to UNFPA following the incurrence of qualifying costs ($5.8 million).

Note 14
Unearmarked resources – movements in reserves and fund balances

Movements in unearmarked resources reserves and fund balances were as follows:

(Thousands of United States dollars)

	Undesignated funds		*Designated funds*						*Reserves*			*2024*	*2023*
	Programmable fund balance	*After-service health insurance and employee benefits fund*	*Supply chain services*	*Cost-recovery above budget*	*Information and communications technology transformation*	*Programme continuity fund*	*Private endowment trust*	*Total fund balances*	*Operational reserve*	*Humanitarian response reserve*	*Reserve for field accommodation*	*Total reserves and fund balances*	*Total reserves and fund balances*
	(Note 14 (a))	*(Note 14 (b))*	*(Note 14 (c))*	*(Note 14 (d))*	*(Note 14 (f))*	*(Note 14 (g))*	*(Note 14 (h))*		*(Note 14 (i))*	*(Note 14 (j))*	*(Note 14 (k))*		
Balance as at 1 January	**558 027**	**101 046**	**6 903**	**66 833**	**6 861**	**5 000**	**33 258**	**777 928**	**76 677**	**5 500**	**5 000**	**865 105**	**686 095**
Prior-year adjustment	–	–	–	–	–	–	–	–	–	–	–	–	96 612
Adjusted balance as at 1 January	**558 027**	**101 046**	**6 903**	**66 833**	**6 861**	**5 000**	**33 258**	**777 928**	**76 677**	**5 500**	**5 000**	**865 105**	**782 707**
Net excess/(shortfall) of revenue over expenses	(169 777)	51 139	–	–	(3 443)	–	(1 775)	(123 856)	–	–	(1 330)	(125 186)	57 109
Resource allocations and transfers													
Operational reserve	782	–	–	–	–	–	–	782	(782)	–	–	–	–
Reserve for field accommodation	(1 330)	–	–	–	–	–	–	(1 330)	–	–	1 330	–	–
Other transfers	28 855	–	134	(18 350)	–	(5 000)	–	5 639	–	–	–	5 639	5 994
Adjustments to resource balances													
Actuarial gain/(loss) on employee benefits liabilities	–	6 754	–	–	–	–	–	6 754	–	–	–	6 754	19 295
Balance as at 31 December	**416 557**	**158 939**	**7 037**	**48 483**	**3 418**	–	**31 483**	**665 917**	**75 895**	**5 500**	**5 000**	**752 312**	**865 105**
Net total	–	**575 496**	–	–	–	–	**90 421**	–	–	–	**86 395**	–	–

Undesignated funds

Undesignated regular resources funds comprise the programmable fund balance and the after-service health insurance and employee benefits fund.

(a) Programmable fund balance

The programmable fund balance reflects regular resources available for spending on country programmes, the institutional budget, global and regional interventions, the emergency fund and other programme activities, following UNFPA resource allocation and distribution models.

As at 31 December 2024, the programmable fund balance amounted to $416.6 million. The programmable fund balance available for programming in future years amounted to $207.4 million, after further adjustments made to reflect funds required to cover future property, plant and equipment depreciation charges; inventory balances; and other internally restricted amounts.

(b) After-service health insurance and employee benefits fund

This fund reflects the funding available for after-service health insurance and other employee benefits liabilities as at the reporting date (see note 12).

Designated funds

Designated funds are regular resources internally earmarked by management for special purposes and thus not available for programming. They include the following:

(c) Supply chain services fund

The supply chain services fund reflects the surplus from supply chain services charges set aside to cover the cost of activities undertaken by the Supply Chain Management Unit of UNFPA, on behalf of field offices, headquarters units and third-party clients. The balance has been set aside by management to ensure adequate funding of future supply chain activities. In 2024, $5.5 million of supply chain services charges was transferred to that fund, and $5.4 million was transferred out of the fund to programmable regular resources, referenced in note 14 (a).

(d) Cost-recovery above budget

Cost-recoveries above budgeted amounts are retained in a separate fund that primarily is utilized by UNFPA to provide additional programmable funding. In 2024, actual cost recoveries did not exceed the budget; $18.4 million was transferred to the programmable fund balance.

(e) Information and communications technology transformation

As part of the implementation of the information and communications technology transformation, a new enterprise resource planning system referred to as “Quantum” was launched in January 2023, followed by the launch of an integrated and internally designed results and resources planning system referred to as “Quantum Plus” in December 2023. Further modules and functionalities in Quantum Plus were developed and launched in 2024. The balance of the information and communications technology transformation fund in 2023, amounting to $6.9 million, was maintained to fund the transformation in 2024 in line with the information technology strategy. During 2024, eligible expenses of $3.4 million were charged to this fund. The remaining balance will be carried forward and utilized for further enhancements and the development of new systems in 2025.

(f) Programme continuity fund

In 2018, UNFPA allocated $5.0 million to a designated fund, operating on a revolving basis, to pre-finance development programme activities ahead of the receipt of funds committed in signed co-financing agreements. In 2024, the fund was discontinued and transferred to the programmable fund balance.

(g) Private endowment trust fund

This fund was created through an endowment from the estate of the late Forrest E. Mars. The balance of $31.5 million comprises the principal of net $27.1 million plus net cumulative interest earned of $4.4 million. Under the terms of the trust agreement, UNFPA is bound to reimburse proportionately the trustee or the trustee's heirs for any potential liability in the event of a valid claim against the estate.

Reserves

The following reserves were established either in accordance with the UNFPA Financial Regulations and Rules or on the basis of Executive Board decisions.

(h) Operational reserve

The purpose of the operational reserve is to provide for temporary fund deficits and to ensure the continuity of programme implementation in the event of downward fluctuations or shortfalls in resources, uneven cash flows, unplanned increases in actual costs or other contingencies. In accordance with the UNFPA Financial Regulations and Rules, the reserve balance is set at 20 per cent of annual unearmarked resources contribution revenue (excluding government contributions to local office costs and adjusted for foreign currency exchange gains/losses for associated contributions receivable).

The amount of the reserve was decreased by $0.8 million in 2024 to adjust it to 20 per cent of regular resources contributions received in that year, on the basis of net contribution revenue received. This is to ensure that the reserve level can be held in irrevocable and immediately available liquid assets, as required under the Financial Regulations and Rules.

Under the modified accounting policy, revenue for regular resources is recorded on the basis of binding arrangements, including for multi-year agreements where contributions may not be received for several years. If the modified revenue recognition policy were used as the basis for determining the level of the operational reserve, there would be significant fluctuations in the reserve annually as it would be dependent on the timing of when agreements were signed, not the receipt of contributions. Accordingly, funding the reserve in liquid assets would be challenging when revenue has been recorded but contributions will not be received for several years.

(i) Humanitarian response reserve

The humanitarian response reserve was established by the Executive Board to pre-finance programme activities before the funding committed in signed donor agreements is received. Throughout 2024, it was used to provide pre-financing of humanitarian activities for a total amount of $6.1 million (2023: $13.1 million).

(j) Reserve for field accommodation

This reserve was established by the Executive Board for the purpose of financing the UNFPA share of construction costs for common premises. Qualifying expenses of $1.3 million were charged to the reserve, and the same amount replenished, in 2024, bringing its balance back to the $5.0 million level approved by the Executive Board.

Note 15
Contribution revenue

Contribution revenue for the reporting period was as follows:

(Thousands of United States dollars)

	2024	*2023*
Unearmarked (core) contributions	231 071	364 139
Less: transfer to other revenue of income tax reimbursements	(6 969)	(4 181)
Subtotal	**224 102**	**359 958**
Contributions earmarked for:		
Co-financing	1 261 569	1 011 418
Junior Professional Officers	4 315	3 691
Contributions in kind	3 727	32
Less: refunds to donors	(25 831)	(33 139)
Net movement in allowance for doubtful contributions receivable	(24 613)	677
Subtotal	**1 219 167**	**982 679**
Total	**1 443 269**	**1 342 637**

The breakdown of unearmarked and earmarked contributions by donor is detailed in schedules A and B, respectively. Earmarked contributions in this note are presented net of UNFPA cost-recovery charges of $71.8 million (2023: $75.1 million), which are shown in note 16, under cost-recovery charges and fees for support services.

Note 16
Other revenue

Other revenue for the reporting period was as follows:

(Thousands of United States dollars)

	Unearmarked resources		*Earmarked resources*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*
Cost-recovery charges and fees for support services	71 537	74 886	4 575	3 785	76 112	78 671
Investment revenue	86 552	82 692	8 505	6 100	95 057	88 792
(Losses)/gains on foreign currency exchange – contributions receivables[a]	–	22 368	–	9 991	–	32 359
(Losses)/gains on foreign currency exchange – others	134	5 742	2 970	2 819	3 104	8 561
Premises occupancy based on donated rights to use	6 315	6 056	–	–	6 315	6 056
Income tax reimbursements	6 969	4 181	–	–	6 969	4 181
Revenue from sale of UNFPA inventories	–	–	2 291	2 142	2 291	2 142
Miscellaneous revenue	1 521	1 046	855	844	2 376	1 890
Total	**173 028**	**196 971**	**19 196**	**25 681**	**192 224**	**222 652**

[a] In 2024, UNFPA recognized foreign currency exchange losses on contributions receivable which are presented under other expenses.

Cost-recovery charges and fees for support services include indirect cost-recovery charges on disbursements funded from earmarked resources, fees earned by UNFPA for performing administrative agent functions and supply chain services handling fees.

Investment revenue can be further broken down as follows:

(Thousands of United States dollars)

	Unearmarked resources		*Earmarked resources*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*
Interest revenue	54 595	41 624	8 505	6 100	63 100	47 724
Dividend revenue	723	2 714	–	–	723	2 714
Realized gain/(loss) on sale of investments	19 143	(1 311)	–	–	19 143	(1 311)
Unrealized gain on investments	12 091	39 665	–	–	12 091	39 665
Total	**86 552**	**82 692**	**8 505**	**6 100**	**95 057**	**88 792**

Revenue and expense in the amount of $6.3 million were recognized in 2024 (2023: $6.1 million) for donated right-to-use arrangements equivalent to the annual rental value for similar premises (for operating lease-similar arrangements) or annual depreciation charges (for finance lease-similar arrangements).

The $12.1 million unrealized gain on the after-service health insurance investments portfolio comprises $10.0 million under investments (see note 4) and $2.1 million under cash and cash equivalents (see note 3).

Note 17
Expenses by implementing agent

Total expenses incurred over the reporting period, broken down on the basis of the implementation modality used, were as follows:

(Thousands of United States dollars)

	2024	*2023*
Total of activities implemented by partners, of which:	451 743	496 971
Governments	72 195	87 952
Non-governmental organizations	368 813	394 062
United Nations organizations	10 735	14 957
Activities implemented by UNFPA	1 076 270	1 013 447
Total expenses	**1 528 013**	**1 510 418**

In 2024, 34.6 per cent of programme activities were implemented by governments and NGOs (2023: 37.2 per cent). Total expenses for programme activities are disclosed in schedule D.

Expenses incurred by UNFPA implementing partners can be further broken down on the basis of their nature as follows:

(Thousands of United States dollars)

	2024	*2023*
Reproductive health and other programme-related supplies	16 361	21 062
Cash assistance programmes	5 691	5 681
Development and training of counterparts	121 863	146 833
Supplies, materials and operating costs	95 270	116 997
Staff costs and contracted services	190 144	186 625

	2024	*2023*
Finance costs	491	703
Travel	16 525	16 855
Other expenses	5 398	2 215
Total expenses	**451 743**	**496 971**

Note 18
Expenses by nature

Total expenses incurred over the reporting period, broken down on the basis of their nature, were as follows:

(Thousands of United States dollars)

	2024	*2023*
Staff costs		
Staff salaries	249 009	223 995
Pension contributions	54 145	48 329
Other employee benefit costs	106 600	108 052
Subtotal, staff costs	**409 754**	**380 376**
Reproductive health and other programme-related supplies		
Reproductive health supplies	186 331	214 850
Other programme-related supplies	54 855	61 657
Subtotal, reproductive health and other programme-related supplies	**241 186**	**276 507**
Cash assistance programmes	8 762	6 001
Subtotal, cash assistance programmes	**8 762**	**6 001**
Development and training of counterparts	137 507	162 534
Subtotal, development and training of counterparts	**137 507**	**162 534**
Supplies, materials and operating costs		
Supplies and materials	31 038	39 992
Rent, repairs and maintenance	65 928	70 531
Printing, publications and media	28 085	31 608
Transportation and distribution	52 392	46 322
Other operating costs	61 129	69 662
Subtotal, supplies, materials and operating costs	**238 572**	**258 115**
Contracted and professional services		
Contracted and professional services with individuals	253 145	258 857
Contracted and professional services with companies	83 658	70 898
United Nations Volunteers expenses	9 609	8 547
Subtotal, contracted and professional services	**346 412**	**338 302**
Finance costs (mainly bank charges)	2 900	1 315
Subtotal, finance costs	**2 900**	**1 315**

	2024	*2023*
Travel	63 716	67 768
Subtotal, travel	**63 716**	**67 768**
Depreciation and amortization		
Depreciation	7 381	7 475
Amortization	1 693	847
Subtotal, depreciation and amortization	**9 074**	**8 322**
Impairment losses and reversals of impairment losses	27	620
Subtotal, impairment and reversals of impairment losses	**27**	**620**
Other expenses		
Premises occupancy based on donated right to use	6 134	5 875
Losses on foreign currency exchange – contributions receivable[a]	45 397	–
Losses on foreign currency exchange – others	2 933	2 123
Doubtful accounts expenses and write-offs[b]	15 499	2 335
Transfers and (gains)/losses on disposal of property, plant and equipment and intangible assets	(63)	(69)
Other	203	294
Subtotal, other expenses	**70 103**	**10 558**
Total expenses	**1 528 013**	**1 510 418**

[a] In 2023, UNFPA recognized foreign currency exchange gains on contributions receivable which are presented under other revenue.

[b] The increase in doubtful accounts expenses and write-offs is due mainly to the increase in doubtful operating fund advances ($5.2 million (see note 6 (a))), unearmarked contributions receivable ($2.0 million (see note 5 (a))), other receivables ($4.7 million (see note 5 (b))) and the loss on inventories ($3.5 million (see note 7)).

Note 19
Programme activities and institutional budget expenses by region and country/territory

Programme activities and institutional budget expenses incurred over the reporting period at country, regional and global levels were as follows:

(Thousands of United States dollars)

	Programme activities		*Institutional budget*	*Total*	
	Unearmarked	*Earmarked*		*2024*	*2023*
Eastern and Southern Africa					
Country/territory activities					
Angola	2 640	6 765	1 236	10 641	5 693
Botswana	590	333	365	1 288	1 583
Burundi	2 463	3 314	701	6 478	6 529
Comoros	862	283	144	1 289	1 329
Democratic Republic of the Congo	8 150	22 233	1 178	31 561	45 522
Eritrea	609	482	652	1 743	1 486

	Programme activities		*Institutional budget*	*Total*	
	Unearmarked	*Earmarked*		*2024*	*2023*
Eswatini	763	774	327	1 864	1 553
Ethiopia	5 660	32 748	1 131	39 539	40 376
Kenya	3 525	13 131	1 147	17 803	10 865
Lesotho	878	707	483	2 068	1 482
Madagascar	3 108	5 753	913	9 774	9 358
Malawi	1 959	8 775	863	11 597	17 916
Mauritius	314	105	–	419	247
Mozambique	3 764	15 163	847	19 774	25 561
Namibia	743	1 161	549	2 453	2 270
Rwanda	2 873	1 144	841	4 858	7 735
Seychelles	51	46	–	97	78
South Africa	1 590	611	568	2 769	2 759
South Sudan	3 001	17 010	2 052	22 063	24 983
Uganda	4 423	13 113	1 023	18 559	23 952
United Republic of Tanzania	4 248	9 647	932	14 827	13 054
Zambia	2 084	2 956	831	5 871	5 846
Zimbabwe	2 543	8 311	1 053	11 907	10 592
Subtotal	**56 841**	**164 565**	**17 836**	**239 242**	**260 769**
Regional activities	5 358	7 121	3 199	15 678	15 604
Total	**62 199**	**171 686**	**21 035**	**254 920**	**276 373**
Western and Central Africa					
Country/territory activities					
Benin	2 000	4 456	952	7 408	9 520
Burkina Faso	2 786	9 625	1 075	13 486	14 267
Cabo Verde	623	–	430	1 053	1 137
Cameroon	3 150	14 842	1 126	19 118	9 578
Central African Republic	2 316	6 815	1 123	10 254	7 675
Chad	3 896	14 774	1 194	19 864	13 068
Congo	1 524	1 066	798	3 388	3 638
Côte d'Ivoire	2 813	4 463	1 069	8 345	9 289
Equatorial Guinea	685	60	662	1 407	1 537
Gabon	719	335	617	1 671	1 538
Gambia	762	2 524	386	3 672	3 303
Ghana	2 419	2 507	962	5 888	6 727
Guinea	2 182	7 378	1 068	10 628	7 239
Guinea-Bissau	931	1 903	657	3 491	2 838
Liberia	1 262	2 600	1 270	5 132	6 906
Mali	3 654	13 148	1 213	18 015	14 955
Mauritania	1 067	1 391	730	3 188	3 420
Niger	3 402	9 116	1 017	13 535	13 958
Nigeria	7 707	11 152	1 088	19 947	17 900
Sao Tome and Principe	354	494	177	1 025	1 159
Senegal	1 974	3 048	656	5 678	6 633

	Programme activities		*Institutional budget*	*Total*	
	Unearmarked	*Earmarked*		*2024*	*2023*
Sierra Leone	1 560	5 097	1 046	7 703	7 523
Togo	1 360	1 507	678	3 545	4 766
Subtotal	**49 146**	**118 301**	**19 994**	**187 441**	**168 574**
Regional activities	5 152	7 044	2 750	14 946	14 189
Total	**54 298**	**125 345**	**22 744**	**202 387**	**182 763**
Arab States					
Country/territory activities					
Algeria	604	86	228	918	860
Djibouti	678	962	280	1 920	1 905
Egypt	1 559	10 160	490	12 209	12 935
Iraq	2 417	11 970	1 100	15 487	14 613
Jordan	835	7 191	437	8 463	8 531
Lebanon	1 306	7 719	630	9 655	8 030
Libya	1 315	2 374	602	4 291	5 121
Morocco	1 093	2 030	669	3 792	3 689
Oman	504	1 393	272	2 169	1 929
Somalia	6 974	9 275	1 472	17 721	34 057
State of Palestine	1 653	21 695	1 453	24 801	7 788
Sudan	3 273	27 554	1 616	32 443	22 130
Syrian Arab Republic	1 876	33 661	1 128	36 665	24 808
Tunisia	737	816	136	1 689	1 506
Yemen	3 334	44 209	1 212	48 755	36 168
Subtotal	**28 158**	**181 095**	**11 725**	**220 978**	**184 070**
Regional activities	4 092	2 033	2 087	8 212	8 225
Total	**32 250**	**183 128**	**13 812**	**229 190**	**192 295**
Asia and the Pacific					
Country/territory activities					
Afghanistan	3 610	89 455	1 575	94 640	101 982
Bangladesh	5 420	34 424	1 072	40 916	44 584
Bhutan	601	53	88	742	825
Cambodia	1 807	631	522	2 960	3 585
China	2 040	450	1 118	3 608	3 305
Democratic People’s Republic of Korea	1 061	426	566	2 053	1 308
India	6 668	2 891	922	10 481	13 011
Indonesia	3 311	2 214	824	6 349	6 021
Iran (Islamic Republic of)	1 391	1 256	515	3 162	3 611
Lao People’s Democratic Republic	1 159	2 529	551	4 239	4 359
Malaysia	528	524	413	1 465	1 093
Maldives	530	11	166	707	686
Mongolia	964	1 732	574	3 270	2 433
Myanmar	2 695	11 131	1 095	14 921	21 658
Nepal	2 523	7 587	920	11 030	10 317

	Programme activities		Institutional budget	Total	
	Unearmarked	Earmarked		2024	2023
Pacific Islands (multi-country)[a]	4 412	9 797	1 092	15 301	15 139
Pakistan	4 592	16 316	959	21 867	28 757
Papua New Guinea	2 199	3 178	1 078	6 455	10 280
Philippines	2 974	2 413	725	6 112	6 012
Sri Lanka	753	5 074	398	6 225	8 863
Thailand	1 068	441	341	1 850	2 104
Timor-Leste	1 433	1 930	739	4 102	4 961
Viet Nam	2 101	2 563	1 029	5 693	6 164
Subtotal	**53 840**	**197 026**	**17 282**	**268 148**	**301 058**
Regional activities	6 635	3 445	3 380	13 460	13 958
Total	**60 475**	**200 471**	**20 662**	**281 608**	**315 016**
Latin America and the Caribbean					
Country/territory activities					
Argentina	733	342	254	1 329	1 478
Bolivia (Plurinational State of)	1 202	2 920	638	4 760	5 504
Brazil	1 905	2 914	649	5 468	6 121
Caribbean (multi-country)[b]	3 195	1 940	1 006	6 141	9 232
Chile	183	19	–	202	174
Colombia	949	2 934	683	4 566	5 061
Costa Rica	659	196	274	1 129	1 013
Cuba	635	301	144	1 080	1 446
Dominican Republic	721	935	265	1 921	1 982
Ecuador	1 118	2 848	670	4 636	6 134
El Salvador	1 064	2 172	567	3 803	3 514
Guatemala	1 799	3 768	815	6 382	5 923
Haiti	1 681	7 790	1 287	10 758	9 826
Honduras	972	3 208	519	4 699	3 819
Mexico	1 377	3 313	696	5 386	5 344
Nicaragua	863	629	623	2 115	3 360
Panama	540	867	265	1 672	1 448
Paraguay	817	1 472	314	2 603	2 870
Peru	1 105	1 222	590	2 917	3 371
Uruguay	944	2 150	530	3 624	3 117
Venezuela (Bolivarian Republic of)	825	8 244	178	9 247	8 413
Subtotal	**23 287**	**50 184**	**10 967**	**84 438**	**89 150**
Regional activities	5 755	2 298	2 900	10 953	9 604
Total	**29 042**	**52 482**	**13 867**	**95 391**	**98 754**
Eastern Europe and Central Asia					
Country/territory activities					
Albania	613	411	260	1 284	1 509
Armenia	918	742	244	1 904	2 291
Azerbaijan	589	436	261	1 286	1 411

	Programme activities		*Institutional budget*	*Total*	
	Unearmarked	*Earmarked*		*2024*	*2023*
Belarus	517	904	139	1 560	1 673
Bosnia and Herzegovina	724	1 301	723	2 748	2 460
Georgia	564	1 413	243	2 220	1 940
Kazakhstan	643	633	538	1 814	1 951
Kosovo[c]	728	130	191	1 049	1 138
Kyrgyzstan	898	1 203	202	2 303	2 626
North Macedonia	495	542	176	1 213	1 432
Republic of Moldova	577	15 138	539	16 254	11 685
Serbia	639	538	250	1 427	1 206
Tajikistan	954	639	149	1 742	3 049
Türkiye	906	9 884	789	11 579	31 501
Turkmenistan	599	494	158	1 251	1 842
Ukraine	1 003	49 150	677	50 830	47 996
Uzbekistan	978	1 546	699	3 223	2 509
Subtotal	**12 345**	**85 104**	**6 238**	**103 687**	**118 219**
Regional activities	4 605	3 296	2 442	10 343	9 664
Total	**16 950**	**88 400**	**8 680**	**114 030**	**127 883**
Global programme and other headquarters activities	20 776	176 898	106 809	304 483	304 492
Total programme and institutional budget	**275 990**	**998 410**	**207 609**	**1 482 009**	**1 497 576**

[a] The Pacific Islands multi-country programme implements programme activities in the following countries and territories: Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia (Federated States of), Nauru, Niue, Palau, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.

[b] The Caribbean multi-country programme, English- and Dutch-speaking, implements programme activities in the following countries and territories: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Curaçao, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Sint Maarten, Suriname, Trinidad and Tobago, and Turks and Caicos Islands.

[c] References to Kosovo shall be understood to be in the context of Security Council resolution 1244 (1999).

Corporate expenses amounting to $46.0 million are excluded from the table above, as due to their nature, they cannot be assigned to any specific country or region. Schedule D provides a breakdown by nature of total programme activities and institutional budget expenses referenced above.

Note 20
Provisions, contingent assets and contingent liabilities

As at 31 December 2024, UNFPA had contingent assets for a total of $374.3 million (2023: $335.2 million), of which $366.8 million is related to contributions from signed donor agreements that do not meet the revenue recognition criteria as at the reporting date, all related to earmarked resources (2023: $329.3 million) and $7.5 million represents ongoing legal and administrative law claims (2023: $5.9 million).

As at 31 December 2024, UNFPA had a limited number of contingent liabilities that represented ongoing legal and administrative law claims. The total potential outflow for such claims as at 31 December 2024 was estimated at $1.3 million (2023: $0.8 million). Owing to the uncertainty of their outcomes, neither a liability nor a provision was recorded as at the reporting date, as the occurrence and timing of outflows is not certain. UNFPA does not expect the ultimate resolution of any of the proceedings to which it is party to have a significant adverse effect on its financial position, performance or cash flows.

Note 21
Related parties disclosures

Relevant transactions with key management personnel were as follows:

(Thousands of United States dollars)

	Key management personnel					
	Number of individuals	*Compensation and post adjustment*	*Staff assessment*	*Other entitlements*	*Pension plan and health benefits*	*Total remuneration*
2024	21	5 265	(840)	914	1 142	6 481
2023	24	5 265	(876)	912	1 103	6 404

The aggregate remuneration paid to key management personnel includes salaries, post adjustment, entitlements such as representation and other allowances, assignment and other grants, rental subsidies, shipment costs and employer pension and current health insurance contributions.

Key management personnel are also eligible for post-employment benefits at the same level as other employees and are ordinary members of the United Nations Joint Staff Pension Fund. The present value of the accrued liabilities for after-service health insurance and repatriation benefits for key management personnel as at 31 December 2024 was estimated at $7.0 million (2023: $6.8 million).

There were no loans or advances granted to key management personnel and their close family members that were not available to other categories of staff in accordance with the United Nations Staff Rules.

Note 22
Events after the reporting date

In January 2025, the Government of a Member State announced a temporary suspension of foreign aid to re-evaluate its international funding priorities, pausing most of the 47 UNFPA ongoing bilateral projects. Subsequently, 16 of the 47 projects received a waiver to deliver life-saving humanitarian aid. Following this, in February 2025, the Government of the Member State issued termination notices for all UNFPA bilateral projects, including the 16 projects that had already received a waiver to the suspension notice.

In March and April 2025, the Government of the Member State issued a rescission of termination notice for five humanitarian projects and two development projects that had previously been terminated, allowing work to continue. However, 40 grants, which had been designated to provide critical maternal healthcare, protection from violence, rape treatment and other life-saving care in humanitarian settings, continue to be impacted.

Since these events occurred after the reporting date of 31 December 2024, they have been classified as a non-adjusting event under IPSAS, and therefore no adjustments have been made in these financial statements.

As at the reporting date, approximately $71.2 million in voluntary contributions receivable due from the Government of the Member State (see schedule B) were recognized in the statement of financial position, representing 8.8 per cent of the total contributions receivable of UNFPA (see note 5 (a)).

Description	*Reference*	*Thousands of United States dollars*	*Percentage*
Total UNFPA voluntary contributions receivable as at 31 December 2024	Note 5 (a)	811 940.0	100.0
Contributions receivable due from the Government of the Member State as at 31 December 2024	Schedule B	71 177.5	8.8
Of which:			
Collected since 31 December 2024		43 542.8	61.2
Not collected since 31 December 2024, as at 30 April 2025		27 634.7	38.8

Of the $71.2 million of contributions receivable, $0.2 million corresponds to expenditure already incurred and programmes that have been implemented as at 31 December 2024. Following the reporting date, an additional $70.6 million in contributions receivable was recognized for new agreements signed or amendments to existing agreements before the suspension was announced. The following table presents a summary of the exposure:

(Thousands of United States dollars)

		Expenditure incurred	*Expenditure not yet incurred*	*Total*
(a)	Voluntary contributions receivable as at 31 December 2024	204.9	70 972.6	71 177.5
(b)	Amount collected since 31 December 2024	204.9	43 338.0	43 542.9
(c)=(a-b)	**Balance not yet collected, including expired grants**	**–**	**27 634.6**	**27 634.6**
(d)	Additional contributions receivable recognized after 31 December due to expenditure incurred	–	–	–
(e)	Additional contributions receivable recognized after 31 December owing to agreements signed	–	70 558.0	70 558.0
(f)	Of which collected in 2025	–	–	–
(g)=(d+e-f)	**Balance not yet collected for new contributions receivable recognized after 31 December 2024**	**–**	**70 558.0**	**70 558.0**
(h)=(c+g)	**Total balance of contributions receivable not collected as at date of issuance**	**–**	**98 192.6**	**98 192.6**
	Of which relating to:			
(i)	Expired programmes and/or reimbursement requests	–	511.4	511.4
(j)	Terminated or fully suspended programmes	–	97 317.4	97 317.4
(k)	Ongoing programmes	–	363.8	363.8

As at the date of authorization of these financial statements, the total impact of the temporary suspension of foreign aid, the termination of awards and any related mitigating measures remained uncertain. The maximum potential impact on 2024 receivables is expected to be limited to the outstanding amount of $27.6 million. The financial impact on the fund balances related to government contracts of the Member State will be assessed and reported on in subsequent periods in line with the contractual requirements of the termination notices.

To mitigate immediate operational risks, UNFPA temporarily suspended projects directly affected by the funding suspension or termination and subsequently reopened any awards upon formal notification that the suspension had been lifted or the termination rescinded. As at the date of authorization of these financial statements, outstanding supply-related commitments in connection with grants funded by the Government of the Member State totalled $18.6 million; commitments for staff and personnel contracts remained estimates pending finalization of the termination period.

Management continues to closely monitor developments to mitigate any potential impact on UNFPA operations. As at the date of authorization of these financial statements, UNFPA was continuing to assess the impact of mitigation measures implemented during the termination period and no reliably measurable contingent liabilities or onerous contracts arising from those mitigation measures had been identified.

Note 23
Presentation of budget information and comparison between actual amounts on a budget comparable basis and actual amounts reported in the financial statements

Statement V provides a comparison between the original budget, the final budget and the actual expenses incurred during 2024, presented on a budgetary comparable accounting basis. Differences between the original and the final budget are due to elements that become known to management in the course of the year, such as final projections of regular contributions to be received and prior-year distributable fund balances. Differences between the final budget and budget utilization amounts are due to underutilization of internally allocated resources.

The reconciliation between the amount of actual expenses for the year 2024 presented in statement V (comparison of budget with actual amounts for the year ended 31 December 2024) and in statement IV (cash flow statement for the year ended 31 December 2024) is shown below. Differences are due to "basis" differences and scope (or "entity") differences. Basis differences are differences between the budgetary and the financial reporting basis of accounting. Entity differences represent the increase/(decrease) in cash and cash equivalents for activities that are out of the scope of the approved budget. Timing differences do not exist, given that the budget period annualized is the same as the financial statement reporting year.

(Thousands of United States dollars)

	Operating activities	*Investing activities*	*Financing activities*	*Total*
Total actual expenses on budget comparable basis (statement V)	(482 669)	(537)	–	(483 206)
Basis differences	(9 841)	1 158	–	(8 683)
Entity differences	694 000	(180 120)	–	513 880
Net increase/(decrease) in cash and cash equivalents (statement IV)	**201 490**	**(179 499)**	**–**	**21 991**

The reconciliation between the actual surplus or deficit on a budgetary comparable basis (modified cash) and on a financial reporting comparable basis (full accrual) is shown below. For revenue, the budget is based on revenue projections, estimates of unutilized resources from the previous year and share of operating reserve released/set aside during the year, while financial statements show revenue on the full accrual basis. For expenses, the difference is attributable mainly to the treatment of capital items such as property, plant and equipment and inventories.

(Thousands of United States dollars)

Actual net surplus on a budget comparable basis (statement V)	**23 496**
Difference between revenue on accrual basis and final budgetary allocations	(183 685)
Difference between expenses on budgetary basis and an accrual basis	(393)
Actual net deficit on a financial reporting comparable basis for activities included in the scope of the budget	**(160 582)**

Note 24
Segment reporting

Segment information is based on the principal activities and sources of financing of UNFPA. As such, UNFPA reports separate financial information for two main segments: unearmarked resources and earmarked resources.

(a) Segment reporting of the statement of financial position as at 31 December 2024

UNFPA considers, for purposes of segment reporting, cash, cash equivalents and investments as "joint assets" between segments, and selected accounts payable (e.g. inter-fund accounts) and employee benefits as "joint liabilities" between segments. Revenue and expenses related to these joint items are reflected in the appropriate segments in the normal course of operations. Cash, cash equivalents and investments are attributed to segments based on the respective fund balances of the segments, while accounts payable and employee benefits liabilities are attributed to the segments based on the number of personnel charged to each funding source.

(Thousands of United States dollars)

	Unearmarked resources		*Earmarked resources*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*
Assets						
Current assets						
Cash and cash equivalents	82 142	78 815	123 540	102 947	205 682	181 762
Investments maturing within one year	283 989	267 275	427 108	349 106	711 097	616 381
Contributions receivable	132 074	174 103	429 077	467 452	561 151	641 555
Other receivables	33 026	28 818	42 213	34 847	75 239	63 665
Operating fund advances	(4 002)	1 832	28 138	20 395	24 136	22 227
Prepayments and other assets	12 350	12 632	9 179	8 611	21 529	21 243
Inventories	3 074	3 710	108 472	99 827	111 546	103 537
Total	**542 653**	**567 185**	**1 167 727**	**1 083 185**	**1 710 380**	**1 650 370**
Non-current assets						
Investments maturing after one year	428 719	395 194	644 781	516 193	1 073 500	911 387
Contributions receivable	18 374	141 355	232 415	184 491	250 789	325 846
Other non-current assets	24	24	–	–	24	24
Property, plant and equipment	34 065	34 982	1 085	726	35 150	35 708
Intangible assets	8 613	6 991	–	–	8 613	6 991
Total	**489 795**	**578 546**	**878 281**	**701 410**	**1 368 076**	**1 279 956**
Total assets	**1 032 448**	**1 145 731**	**2 046 008**	**1 784 595**	**3 078 456**	**2 930 326**

	Unearmarked resources		*Earmarked resources*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*
Liabilities						
Current liabilities						
Accounts payable and accruals	26 410	32 411	148 110	119 330	174 520	151 741
Employee benefits	36 610	34 701	18 277	16 860	54 887	51 561
Other current liabilities and deferred revenue	5 845	8 310	5 678	7 310	11 523	15 620
Total	**68 865**	**75 422**	**172 065**	**143 500**	**240 930**	**218 922**
Non-current liabilities						
Employee benefits	208 378	202 130	104 033	98 212	312 411	300 342
Other non-current liabilities and deferred revenue	2 893	3 074	–	–	2 893	3 074
Total	**211 271**	**205 204**	**104 033**	**98 212**	**315 304**	**303 416**
Total liabilities	**280 136**	**280 626**	**276 098**	**241 712**	**556 234**	**522 338**
Net assets	**752 312**	**865 105**	**1 769 910**	**1 542 883**	**2 522 222**	**2 407 988**
Reserves and fund balances						
Reserves						
Operational reserve	75 895	76 677	–	–	75 895	76 677
Humanitarian response reserve	5 500	5 500	–	–	5 500	5 500
Reserve for field accommodation	5 000	5 000	–	–	5 000	5 000
Total reserves	**86 395**	**87 177**	**–**	**–**	**86 395**	**87 177**
Fund balances						
Designated unearmarked fund balances	90 421	118 855	–	–	90 421	118 855
Undesignated unearmarked and earmarked fund balances						
Unearmarked resources	575 496	659 073	–	–	575 496	659 073
Earmarked resources	–	–	1 769 910	1 542 883	1 769 910	1 542 883
Total fund balances	**665 917**	**777 928**	**1 769 910**	**1 542 883**	**2 435 827**	**2 320 811**
Total reserves and fund balances	**752 312**	**865 105**	**1 769 910**	**1 542 883**	**2 522 222**	**2 407 988**

Acquisitions of fixed and intangible assets from both unearmarked and earmarked resources were as follows:

(Thousands of United States dollars)

	Unearmarked resources[a]		*Earmarked resources*		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*
Property, plant and equipment	8 830	10 589	431	1 153	9 261	11 742
Intangible assets	3 351	1 699	–	–	3 351	1 699
Total	**12 181**	**12 288**	**431**	**1 153**	**12 612**	**13 441**

[a] Unearmarked resources include the corporate fund code on which the fixed and intangible assets are recorded for the purpose of capitalization in compliance with IPSAS requirements.

(b) Segment reporting of the statement of financial performance for the year ended 31 December 2024

(Thousands of United States dollars)

	Unearmarked resources		*Earmarked resources*		*Elimination* [a]		*Total*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
Contribution revenue								
Unearmarked contributions	231 071	364 139	–	–	–	–	231 071	364 139
Less: transfer to other revenue of income tax reimbursements	(6 969)	(4 181)	–	–	–	–	(6 969)	(4 181)
Subtotal	**224 102**	**359 958**	**–**	**–**	**–**	**–**	**224 102**	**359 958**
Earmarked contributions	–	–	1 341 382	1 090 282	(71 771)	(75 141)	1 269 611	1 015 141
Less: refunds to donors	–	–	(25 831)	(33 139)	–	–	(25 831)	(33 139)
Net movement in allowance for doubtful contributions receivable	–	–	(24 613)	677	–	–	(24 613)	677
Subtotal	**–**	**–**	**1 290 938**	**1 057 820**	**(71 771)**	**(75 141)**	**1 219 167**	**982 679**
Total contribution revenue	**224 102**	**359 958**	**1 290 938**	**1 057 820**	**(71 771)**	**(75 141)**	**1 443 269**	**1 342 637**
Other revenue	173 028	196 971	19 196	25 681	–	–	192 224	222 652
Total revenue	**397 130**	**556 929**	**1 310 134**	**1 083 501**	**(71 771)**	**(75 141)**	**1 635 493**	**1 565 289**
Expenses								
Staff costs	274 454	261 842	135 300	118 534	–	–	409 754	380 376
Reproductive health and other programme-related supplies	5 490	8 765	235 696	267 742	–	–	241 186	276 507
Cash assistance programmes	849	321	7 913	5 680	–	–	8 762	6 001
Development and training of counterparts	21 265	25 539	116 242	136 995	–	–	137 507	162 534
Supplies, materials and operating costs	69 945	79 622	240 398	253 634	(71 771)	(75 141)	238 572	258 115
Contracted and professional services	78 162	79 395	268 250	258 907	–	–	346 412	338 302
Finance costs	315	199	2 585	1 116	–	–	2 900	1 315
Travel	23 199	29 585	40 517	38 183	–	–	63 716	67 768
Depreciation and amortization	9 074	8 322	–	–	–	–	9 074	8 322
Impairment	37	564	(10)	56	–	–	27	620
Other expenses	39 526	5 666	30 577	4 892	–	–	70 103	10 558
Total expenses	**522 316**	**499 820**	**1 077 468**	**1 085 739**	**(71 771)**	**(75 141)**	**1 528 013**	**1 510 418**
Surplus for the year	**(125 186)**	**57 109**	**232 666**	**(2 238)**	**–**	**–**	**107 480**	**54 871**

[a] The presentation in the present table reflects the gross performance of each segment and the elimination column is therefore necessary to remove the effect of inter-segment activities. The amounts in the elimination column represent the $71.8 million cost-recovery charges.

Note 25
Financial risk management

This note presents information about the exposure of UNFPA to credit, liquidity and market risk arising in the normal course of its operations and the processes for measuring and managing risk.

Valuation

Financial assets

Financial assets held by UNFPA as at the reporting date, broken down on the basis of the IPSAS 41 classification adopted by UNFPA, were as follows:

(Thousands of United States dollars)

2024	*Hold to collect cash flows – measured at amortized cost*	*Hold for trading – measured at fair value through surplus or deficit*	*Total*
Cash and cash equivalents	194 592	11 090	205 682
Investments	1 411 312	373 285	1 784 597
Contributions receivable	811 940	–	811 940
Other accounts receivable	75 263	–	75 263
Total financial assets	**2 493 107**	**384 375**	**2 877 482**

(Thousands of United States dollars)

2023	*Hold to collect cash flows – measured at amortized cost*	*Hold for trading – measured at fair value through surplus or deficit*	*Total*
Cash and cash equivalents	172 789	8 973	181 762
Investments	1 190 563	337 205	1 527 768
Contributions receivable	967 401	–	967 401
Other accounts receivable	63 469	220	63 689
Total financial assets	**2 394 222**	**346 398**	**2 740 620**

The carrying amount of financial assets held by UNFPA as at 31 December 2024 can be further categorized as follows:

		Hold for trading – measured at fair value through surplus/deficit		
Financial assets	*Hold to collect cash flows – measured at amortized cost*	*Designated as such upon initial recognition*	*Mandatorily measured at fair value through surplus or deficit*	*2024*
Cash and cash equivalents	194 592	11 090	–	205 682
Working capital investment portfolio	1 411 312	–	–	1 411 312
Contributions receivable	811 940	–	–	811 940
Other accounts receivable	75 263	–	–	75 263
Post-employment benefits investment portfolios	–	–	373 285	373 285
Total financial assets	**2 493 107**	**11 090**	**373 285**	**2 877 482**

The UNFPA financial assets classified as hold to collect cash flows are carried at amortized cost.

The working capital investment portfolio, which comprises bonds, commercial paper and time deposits held-to-maturity, constitutes the largest financial asset classified under this category; as at the reporting date, the book value of these assets exceeded their market value by $5.8 million (2023: the book value exceeded the market value by $19.5 million).

The UNFPA financial assets classified as hold for trading are carried at fair value through surplus or deficit. The post-employment benefits investment portfolios, which comprise cash equivalents, fixed-income securities and equities, are the only financial assets classified under this category.

The fair value of the instruments held in these portfolios was calculated in accordance with IPSAS 30: Financial instruments: disclosures, which defines a three-tier fair value measurement hierarchy, based on the significance of the inputs used in the valuation, with level 1 using the most reliable inputs (unadjusted quoted prices in active markets for identical assets or liabilities), and level 3 using the least reliable (inputs not based on observable market data). Measurement for all UNFPA investments carried at fair value was determined at level 1 of this IPSAS hierarchy.

The fair value of the financial assets represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

Financial liabilities

UNFPA financial liabilities as at the reporting date, broken down on the basis of the IPSAS classification adopted by UNFPA, were as follows:

(Thousands of United States dollars)

2024	*Measured at fair value through surplus or deficit*	*Measured at amortized cost*	*Total*
Accounts payable and accruals	–	174 520	174 520
Other liabilities (current and non-current)	249	5 484	5 733
Total financial liabilities	**249**	**180 004**	**180 253**

(Thousands of United States dollars)

2023	*Measured at fair value through surplus or deficit*	*Measured at amortized cost*	*Total*
Accounts payable and accruals	–	51 741	151 741
Other liabilities (current and non-current)	1 590	6 683	8 273
Total financial liabilities	**1 590**	**158 424**	**160 014**

As at the reporting date, UNFPA had $0.2 million in financial liabilities classified at fair value through surplus or deficit (2023: $1.6 million), arising from foreign currencies exchange contracts held as part of the post-employment benefits investment portfolios.

Financial liabilities classified as measured at amortized cost are carried at their nominal amounts, without discounting, as they are primarily due for settlement within 12 months from the reporting date.

Financial instruments gains and losses

The table below presents a summary of the net gains and losses recognized in the statement of financial performance for the different categories of financial instruments.

Net gains(losses)	*2024*	*2023*
Financial assets measured at amortized cost		
Contributions receivable	(45 395)	32 953
Cash and cash equivalents, working capital investment portfolio and other financial assets	(3 966)	1 034
Financial assets measured at fair value through surplus or deficit		
Post-employment benefits investment portfolios	31 983	39 941
Financial liabilities measured at amortized cost		
Other financial liabilities	3 386	3 223
Net gains/(losses)	**(13 992)**	**77 151**

Gains and losses recognized in surplus or deficit for the year for financial assets (contributions receivable, cash and cash equivalents, working capital investment portfolio and other financial assets) and financial liabilities (primarily accounts payable) measured at amortized cost reflect net foreign exchange losses, in 2024, and gains, in 2023, arising from the revaluation of financial instruments held in currencies other than the United States dollar.

The net gain of $32.0 million in 2024 on the post-employment benefits investment portfolios represents unrealized securities and equities instruments investment gains of $12.1 million and net realized gains from the sale of investments of $19.1 million (2023: unrealized gains of $39.6 million, offset in part by net realized losses of $1.3 million), as well as net exchange gains of $0.8 million (2023: $1.6 million) arising from the revaluation of financial instruments held in currencies other than the United States dollar.

Exposure to risks

UNFPA is exposed to a variety of financial risks, including:

(a) Credit risk: the risk that financial losses may arise from the failure of third parties to meet their financial/contractual obligations to UNFPA;

(b) Liquidity risk: the likelihood that UNFPA may not have adequate funds to meet its obligations when they fall due;

(c) Market risk: the possibility that UNFPA may incur significant financial losses owing to unfavourable movements in interest rates, foreign currency exchange rates and prices of investment securities.

Analysis of credit risk

There were no material changes in the exposure to credit risk and the policies and processes for managing and measuring the risk during the year under review.

Credit risk arises mostly from cash and cash equivalents, investments and contributions receivable. The carrying value of financial assets of $2,877 million as at 31 December 2024 is the maximum exposure to credit risk faced by UNFPA (2023: $2,741 million).

(a) Investments

Credit risk mitigation strategies for financial instruments are defined in the investment guidelines for both the working capital and post-employment benefits investment portfolios and limit the extent of credit exposure to any single counterparty, by setting minimum credit quality requirements and limits by issue and financial instrument type. The investment guidelines require ongoing monitoring of issuer and counterparty credit ratings.

The working capital investment portfolio (79.1 per cent of total investments) is limited to investment-grade fixed-income instruments of sovereign, supranational, governmental or federal agencies, and banks. Ratings from the three leading credit rating agencies, Moody's, S&P Global Ratings and Fitch, are used to evaluate the credit risk of financial instruments. As at the reporting date, UNFPA portfolios comprised primarily investment-grade instruments, as shown in the following tables (presented using S&P Global Ratings' rating convention).

Concentration of fixed-income investments by credit rating, working capital investment portfolio[a]

(Thousands of United States dollars)

2024	*AAA*	*AA+*	*AA*	*AA-*	*A+*	*A*	*A-*	*Total*
Bonds	559 577	194 882	63 257	300 186	39 362	28 767	–	1 186 031
Commercial paper	–	80 426	–	44 855	90 000	10 000	–	225 281
Total	**559 577**	**275 308**	**63 257**	**345 041**	**129 362**	**38 767**	**–**	**1 411 312**

(Thousands of United States dollars)

2023	*AAA*	*AA+*	*AA*	*AA-*	*A+*	*A*	*A-*	*Total*
Bonds	509 931	172 987	73 639	125 899	21 158	29 685	–	933 299
Time deposits	–	50 000	–	–	–	35 000	–	85 000
Commercial paper	–	98 953	–	73 311	–	–	–	172 264
Total	**509 931**	**321 940**	**73 639**	**199 210**	**21 158**	**64 685**	**–**	**1 190 563**

[a] Measured at amortized cost – excludes investments classified as cash and cash equivalents.

Concentration of fixed-income investments by credit rating, post-employment benefits investment portfolios[a]

(Thousands of United States dollars)

2024	*AAA*	*AA+*	*AA*	*AA-*	*A+*	*A*	*A-*	*BBB+*	*BBB*	*United States Treasury*	*Not rated*	*Total*
Fixed-income securities	3 260	2 457	2 280	1 672	1 361	4 535	2 015	3 416	2 117	16 344	108 687	148 144
Total	**3 260**	**2 457**	**2 280**	**1 672**	**1 361**	**4 535**	**2 015**	**3 416**	**2 117**	**16 344**	**108 687**	**148 144**

(Thousands of United States dollars)

2023	*AAA*	*AA+*	*AA*	*AA-*	*A+*	*A*	*A-*	*BBB+*	*BBB*	*United States Treasury*	*Not rated*	*Total*
Fixed-income securities	4 616	2 286	1 864	1 488	1 742	3 202	3 184	3 248	1 961	14 587	96 925	135 103
Total	**4 616**	**2 286**	**1 864**	**1 488**	**1 742**	**3 202**	**3 184**	**3 248**	**1 961**	**14 587**	**96 925**	**135 103**

[a] Measured at fair value – excludes investments classified as cash and cash equivalents.

Of the $108.7 million in fixed-income securities held as at 31 December 2024 and not rated by S&P Global Ratings (2023: $96.9 million), instruments valued at $14.8 million were rated by Moody's (2023: $14.5 million), with assigned ratings ranging from Aaa to Baa2. The majority of other non-rated fixed-income securities represent investments in exchange-traded funds and mutual funds, comprising multiple instruments, which may be rated individually, but the overall funds are not rated.

The amount of expected credit losses for instruments measured at amortized cost calculated in line with the requirements of IPSAS 41 has been assessed as immaterial and therefore no allowance has been recognized in the financial statements.

(b) *Other financial assets*

A large portion of the contributions receivable is due from sovereign governments and supranational agencies, including other United Nations organizations, which have historically had very low default risk. UNFPA credit exposure on outstanding contributions receivable is further mitigated by the fact that programme activities funding from other resources do not in general commence until cash is received. UNFPA monitors the level, age and collectability of contributions receivable balances on a regular basis, applying its past experience with donors in determining the risk of default posed by them. The approach for assessing outstanding contributions receivable for recoverability is described in note 2, and an analysis of the age of past-due contributions receivable and movements in allowance for doubtful accounts is provided in note 5 (a).

The debtor base of UNFPA reflected under other accounts receivable is diverse and consists of a relatively large number of individuals, companies, non-profit organizations, government entities and other United Nations organizations. It would not be feasible to obtain external credit ratings or otherwise assess the creditworthiness of all debtors because of the nature of the debtor base; further external credit ratings may not be readily available for all debtors. UNFPA monitors the level, age and collectability of debtor balances on a regular basis to determine the risk of default posed by them.

Analysis of liquidity risk

Liquidity risk is the risk of UNFPA not being able to meet its obligations as they fall due.

UNDP, which provides treasury management services to UNFPA and manages the working capital investment portfolio on its behalf, makes investment decisions with due consideration for UNFPA cash requirements by matching investment maturity with the timing of future cash outlays. Sufficient funds are maintained in cash equivalents and short-term instruments at all times, to allow UNFPA to cover commitments as and when they are due, as shown in the following table:

(Thousands of United States dollars)

	31 December 2024	*Percentage*	*31 December 2023*	*Percentage*
Cash and cash equivalents	181 801	11	160 704	12
Subtotal	**181 801**	**11**	**160 704**	**12**
Current investments	705 550	45	613 545	45
Non-current investments	705 762	44	577 018	43
Subtotal	**1 411 312**	**89**	**1 190 563**	**88**
Total investments, cash and cash equivalents	**1 593 113**	**100**	**1 351 267**	**100**

Analysis of market risk

Market risk is the risk of financial losses due to unfavourable movements in the market prices of financial instruments, including changes in interest rates, foreign exchange rates and equity price risk.

(a) *Interest rate risk*

Interest rate risk arises from the effects of market interest rate fluctuations on the fair value of financial assets, liabilities and future interest revenue cash flows. UNFPA is exposed to interest rate risk on its interest-bearing assets.

Financial instruments maintained in the working capital investment portfolio (79.1 per cent of the total investments), which are classified as hold to collect cash flows and thus normally held-to-maturity, are not marked to market and their carrying amounts are not affected by changes in interest rates (2023: 77.9 per cent).

Financial instruments maintained in the post-employment benefits investment portfolios (20.9 per cent of the total investments), which are classified as hold for trading, are carried at fair value (2023: 22.1 per cent). As at 31 December 2024, these portfolios included interest-bearing instruments valued at $148.1 million (8.3 per cent of the total investments), thus creating exposure to interest rate risk (2023: $135.1 million, 8.8 per cent of the total investments). The table below demonstrates the interest rate sensitivity of these investments, based on their maturity period:

(Thousands of United States dollars)

	2024	*2023*
Sensitivity variation	*Surplus/(deficit)*	*Surplus/(deficit)*
100 basis point increase	(3 379)	(3 486)
50 basis point decrease	1 689	1 743

Note: Following the adoption of IPSAS 41, all changes in the fair value of financial instruments held in the post-employment benefits investment portfolios are recognized in surplus or deficit for the year.

As at 31 December 2024, UNFPA did not hold any investments in floating rate fixed-income securities as part of its working capital portfolio (2023: nil). These securities have a variable coupon, which periodically resets to the prevailing market rate, thus exposing UNFPA to fluctuations in future cash flows of interest revenue.

(b) *Foreign exchange risk*

UNFPA is exposed to currency risk arising from financial assets that are denominated in foreign currencies, and financial liabilities that have to be settled in foreign currencies. Year-end positions of UNFPA financial assets and liabilities by major currency were as follows:

(Thousands of United States dollars)

2024	*United States dollar*	*Pound sterling*	*Australian dollar*	*Euro*	*Danish Krone*	*Other currencies*	*At 31 December 2024*
Cash and cash equivalents	199 182	4	–	2 003	3 494	999	205 682
Investments	1 704 707	16 595	1 093	40 984	1 121	20 097	1 784 597
Contributions receivable	336 472	24 312	42 446	117 874	81 903	208 933	811 940
Accounts payable and accruals	364 244	(169 481)	(1 401)	(66 431)	(187)	(301 264)	(174 520)
Other liabilities (including derivative liabilities)	(4 749)	(246)	–	(118)	(31)	(589)	(5 733)
Net exposure	**2 599 856**	**(128 816)**	**42 138**	**94 312**	**86 300**	**(71 824)**	**2 621 966**

(Thousands of United States dollars)

2023	*United States dollar*	*Pound sterling*	*Australian dollar*	*Euro*	*Danish krone*	*Other currencies*	*At 31 December 2023*
Cash and cash equivalents	173 703	1 683	–	288	32	6 056	181 762
Investments	1 440 359	21 330	814	43 767	1 045	20 453	1 527 768
Contributions receivable	297 568	35 233	71 486	222 552	129 452	211 110	967 401
Accounts payable and accruals	(128 397)	(48)	(276)	(914)	(44)	(22 062)	(151 741)
Other liabilities (including derivative liabilities)	(6 980)	(157)	–	(1 972)	24	812	(8 273)
Net exposure	**1 776 253**	**58 041**	**72 024**	**263 721**	**130 509**	**216 369**	**2 516 917**

UNFPA actively manages its net foreign exchange exposure. The UNDP Treasury hedges on behalf of UNFPA, to the extent possible, the currency risk to which UNFPA is exposed when donors pledge and pay contributions at different times and in currencies other than United States dollars. During 2024, contribution receivables in eight different currencies were hedged.

The table below provides a sensitivity analysis of the impact on surplus or deficit for the year of movements on key currencies against the United States dollar. Strengthening of the United States dollar will result in a decrease of surplus or deficit for the year and vice versa.

(Thousands of United States dollars)

	Strengthening of United States dollar by 10 per cent	*Weakening of United States dollar by 10 per cent*
2024	*Surplus/(deficit)*	*Surplus/(deficit)*
Euro	(8 574)	10 479
Danish krone	(7 846)	9 589
Pound sterling	11 711	(14 313)
Australian dollar	(3 831)	4 682

Note: Following the adoption of IPSAS 41, all changes in the fair value of financial instruments held in the post-employment benefits investment portfolios are recognized in surplus or deficit for the year.

(Thousands of United States dollars)

	Strengthening of United States dollar by 10 per cent	*Weakening of United States dollar by 10 per cent*
2023	*Surplus/(deficit)*	*Surplus/(deficit)*
Euro	(23 975)	29 302
Danish krone	(11 864)	14 501
Pound sterling	(5 276)	6 449
Australian dollar	(6 548)	8 003

Note: Following the adoption of IPSAS 41, all changes in the fair value of financial instruments held in the post-employment benefits investment portfolios are recognized in surplus or deficit for the year.

The UNDP Treasury Division uses derivative instruments, such as foreign exchange forwards, options and structured options, to manage the foreign exchange exposure of UNFPA.

(c) Equity price risk

Equity price risk is the risk of decrease in the value of equities maintained in the investment portfolio due to changes in the value of individual stocks held.

About 60.3 per cent ($225.1 million) of the UNFPA post-employment benefits investment portfolios is composed of equities (2023: 59.9 per cent, $202.1 million), classified as hold for trading and thus marked to market through surplus or deficit. A 5 per cent increase or decrease in the market value of the equities held as at the reporting date would have an impact on the surplus or deficit for the year, respectively, by $11.3 million (2023: $10.1 million).

Equity price risk is mitigated through the active monitoring of the composition and performance of the post-employment benefits investment portfolios by both the appointed investment managers and the investment committee.

Note 26
Commitments

As at 31 December 2024, UNFPA commitments for the acquisition of various goods and services contracted but not received, including property, plant and equipment and intangible assets, amounted to $131.0 million (2023: $114.4 million).

In October 2024, UNFPA entered into a lease agreement for new headquarters office premises located in New York. The lease term will commence once the delivery conditions are satisfied and not later than 30 November 2025. The lease has a total duration of 16 years and 3 months, including a 15-month rent-free period.

Under the agreement, the annual rent is structured as follows:

- Years 1–5: $3.7 million
- Years 6–10: $4.0 million
- Years 11–16: $4.4 million

The lease may be cancelled under specific conditions in the lease agreement. As at the reporting date, these conditions had not been triggered.

The annual rent amounts will be recognized in the financial statements upon lease commencement in accordance with the applicable IPSAS standard.

UNFPA does not have any other non-cancellable lease agreements, since its standard agreements include cancellation clauses allowing for early termination with due notice.

Schedule A
Unearmarked resources – status of contributions for the year ended 31 December 2024

(Thousands of United States dollars)

Donor	*Balance due to UNFPA as at 1 January*	*Prior-year adjustments*[a]	*Current-year commitments (contribution revenue)*	*Realized exchange gains/(losses)*	*Unrealized exchange gains/(losses)*	*Payments received*	*Balance of contributions due to UNFPA as at 31 December*
Albania	–	–	10	–	–	10	–
Algeria	–	–	10	–	–	10	–
Armenia	3	–	–	–	–	3	–
Australia	19 521	–	–	–	(1 392)	6 342	11 787
Austria	–	–	458	–	–	458	–
Bangladesh	–	–	35	–	–	35	–
Belgium	9 988	–	–	–	(185)	9 803	–
Bhutan	–	–	6	–	–	6	–
Bosnia and Herzegovina	5	–	5	–	–	10	–
Bulgaria	–	–	33	–	–	33	–
Canada	–	–	33 121	–	(444)	11 040	21 637
Chile	–	–	5	–	–	5	–
China	–	–	1 630	–	–	1 630	–
Comoros	1	–	–	–	–	–	1
Costa Rica	–	–	7	–	–	5	2
Cyprus	–	–	16	–	–	16	–
Denmark	67 034	–	–	–	(2 854)	32 747	31 433
Dominican Republic	–	–	15	–	–	15	–
Egypt	–	–	13	–	–	13	–
Eritrea	–	–	5	–	–	5	–
Estonia	–	–	31	–	–	31	–
Eswatini	1	–	7	–	–	8	–
Ethiopia	1	–	–	–	(1)	–	–
Finland	–	–	27 533	–	431	27 964	–
France	–	–	650	–	(7)	643	–
Georgia	20	–	–	–	–	20	–
Germany	–	–	46 499	–	(64)	46 435	–
Ghana	160	–	–	–	–	–	160
Guyana	10	–	–	–	–	10	–
Iceland	4 664	–	–	(15)	(91)	1 539	3 019
India	–	–	501	–	–	501	–
Indonesia	–	–	23	–	–	23	–
Iraq	60	–	–	–	–	50	10
Ireland	–	–	4 875	–	–	4 875	–
Italy	–	–	2 796	–	(145)	2 651	–
Japan	–	–	12 000	–	–	12 000	–
Jordan	50	–	–	–	–	50	–
Kazakhstan	–	–	7	–	–	7	–

Donor	*Balance due to UNFPA as at 1 January*	*Prior-year adjustments*[a]	*Current-year commitments (contribution revenue)*	*Realized exchange gains/(losses)*	*Unrealized exchange gains/(losses)*	*Payments received*	*Balance of contributions due to UNFPA as at 31 December*
Kenya	–	–	10	–	–	10	–
Kuwait	–	–	10	–	–	10	–
Lao People’s Democratic Republic	–	–	3	–	–	3	–
Luxembourg	7 216	–	–	–	(254)	3 523	3 439
Madagascar	–	–	12	–	–	12	–
Malaysia	–	–	15	–	–	15	–
Maldives	5	(5)	8	–	–	–	8
Mauritius	3	–	–	–	–	3	–
Mexico	–	–	53	–	–	53	–
Micronesia (Federated States of)	–	–	3	–	–	3	–
Morocco	12	–	–	–	–	12	–
Netherlands (Kingdom of the)	77 691	–	–	–	(3 720)	37 514	36 457
New Zealand	3 812	–	–	40	(171)	3 681	–
Nigeria	150	–	–	–	–	–	150
North Macedonia	–	–	1	–	–	1	–
Norway	–	–	56 448	–	–	56 448	–
Oman	40	–	–	–	–	–	40
Pakistan	–	–	498	–	–	498	–
Panama	30	–	–	–	–	10	20
Peru	–	–	2	–	–	2	–
Philippines	62	–	–	–	(2)	28	32
Poland	–	–	25	–	1	26	–
Portugal	293	–	318	(7)	(2)	602	–
Qatar	–	–	1 000	–	–	1 000	–
Republic of Korea	–	–	927	–	–	927	–
Republic of Moldova	–	–	6	–	–	6	–
Romania	–	–	10	–	–	10	–
Rwanda	5	–	10	–	–	15	–
Sao Tome and Principe	8	(9)	–	–	1	–	–
Serbia	–	–	5	–	–	5	–
Singapore	5	–	–	–	–	5	–
Slovakia	–	–	5	–	–	5	–
Slovenia	–	–	195	–	(6)	22	167
South Africa	–	–	38	–	–	38	–
Spain	–	–	5 447	–	24	5 471	–
Sri Lanka	18	–	18	–	–	18	18
Sweden	95 111	–	(753)	–	(5 038)	45 383	43 937
Switzerland	19 162	–	–	–	(980)	18 182	–
Tajikistan	–	–	1	–	–	1	–
Thailand	–	–	308	–	–	307	1
Trinidad and Tobago	–	–	5	–	–	5	–
Tunisia	–	–	8	–	–	8	–

Donor	*Balance due to UNFPA as at 1 January*	*Prior-year adjustments*[a]	*Current-year commitments (contribution revenue)*	*Realized exchange gains/(losses)*	*Unrealized exchange gains/(losses)*	*Payments received*	*Balance of contributions due to UNFPA as at 31 December*
Turkmenistan	–	–	8	–	–	8	–
Uganda	–	–	1	–	–	1	–
United Kingdom of Great Britain and Northern Ireland	10 216	–	–	–	186	10 402	–
United Republic of Tanzania	11	–	–	–	–	5	6
United States of America	–	–	30 521	–	–	30 521	–
Uzbekistan	20	–	–	–	–	10	10
Viet Nam	90	–	–	–	–	60	30
Zambia	–	–	5	–	–	5	–
Zimbabwe	–	–	30	–	–	30	–
Private contributions	–	–	5 305	–	–	5 305	–
Subtotal	**315 478**	**(14)**	**230 797**	**18**	**(14 713)**	**379 202**	**152 364**
Government contributions to local office costs	–	–	274	1	–	275	–
Total	**315 478**	**(14)**	**231 071**	**19**	**(14 713)**	**379 477**	**152 364**[a]

[a] This amount is presented gross of the allowance for doubtful accounts of $1.9 million.

Schedule B
Earmarked resources – revenue, expenses and fund balances for the year ended 31 December 2024
(Thousands of United States dollars)

	Fund balances as at 1 January	*Contributions*	*Other revenue*	*Refunds*	*Transfers and adjustments*	*Total funds available*	*Expenses*	*Fund balances as at 31 December*	*Contributions receivable as at 31 December*
Trust funds									
ABT Associates Inc.	977	40	(3)	–	–	1 014	607	407	–
AFP Popular	249	–	–	–	–	249	139	110	82
Agora, Inc.	60	–	–	–	–	60	1	59	–
Albania	1	–	–	–	–	1	–	1	–
Andorra and Monaco	1	–	–	–	–	1	–	1	–
Angola	9 023	–	(17)	–	–	9 006	5 588	3 418	2 941
Anonymous	5 498	–	7	–	–	5 505	4 705	800	–
Argentina	288	–	–	–	–	288	271	17	–
Australia	64 922	22 846	23	(160)	–	87 631	45 556	42 075	25 697
Austria	5 737	1 564	2	(76)	–	7 227	2 224	5 003	1 563
Avon Cosmetics Georgia LLC	–	19	–	–	–	19	19	–	–
Bangladesh	9 263	1 300	26	–	–	10 589	10 459	130	–
Bayer AG	710	75	1	–	–	786	386	400	79
Beifang International Education Group	785	–	–	–	–	785	180	605	553
Belgium	4 792	–	14	(139)	(2)	4 665	3 737	928	654
Benin	2 648	–	10	–	–	2 658	2 220	438	–
Bill & Melinda Gates Foundation	16 948	91 390	(11)	(296)	–	108 031	12 368	95 663	69 289
Bolivia (Plurinational State of)	479	–	–	–	–	479	365	114	–
Botswana	17	–	–	–	–	17	(1)	18	–
Brazil	5 229	2 067	–	–	–	7 296	2 254	5 042	1 535
Burkina Faso	98	–	–	–	–	98	–	98	–
Cameroon	(24)	12 419	25	(1 075)	–	11 345	10 742	603	–
Canada	66 345	149 290	399	(4 510)	(21)	211 503	51 413	160 090	98 154
Central African Republic	2	1 626	–	–	–	1 628	–	1 628	1 626
Chad	7 936	–	(2)	–	–	7 934	6 363	1 571	1 348
Charities Aid Foundation	160	–	1	–	–	161	159	2	–

	Fund balances as at 1 January	*Contributions*	*Other revenue*	*Refunds*	*Transfers and adjustments*	*Total funds available*	*Expenses*	*Fund balances as at 31 December*	*Contributions receivable as at 31 December*
Children's Investment Fund Foundation	5 127	437	–	–	–	5 564	4 213	1 351	221
China	1 455	4 515	(1)	(4)	–	5 965	744	5 221	3 285
Chugai Pharmaceutical Co., Limited	366	–	–	–	–	366	78	288	–
Colombia	31	2 356	–	–	–	2 387	447	1 940	1 796
Congo	5	–	–	(23)	–	(18)	(16)	(2)	–
Côte d'Ivoire	1 713	(1 434)	21	252	–	552	362	190	–
Czechia	352	(10)	(1)	–	–	341	249	92	(7)
Democratic Republic of the Congo	7 491	–	–	(114)	–	7 377	4 692	2 685	1 676
Denmark	33 579	5 442	143	(538)	–	38 626	13 117	25 509	15 544
Department of Management Strategy, Policy and Compliance	4	–	–	–	–	4	–	4	–
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	1 048	3 293	1	–	–	4 342	694	3 648	2 058
Dominican Republic	162	32	–	–	–	194	178	16	16
Economic Community of West African States	–	5 000	–	–	–	5 000	313	4 687	3 500
Ecuador	1 837	4 101	–	–	–	5 938	3 850	2 088	–
Education Above All Foundation	–	1 000	(4)	–	–	996	697	299	193
El Salvador	4 394	–	–	–	–	4 394	396	3 998	3 801
Equatorial Guinea	42	–	–	–	(11)	31	1	30	–
Estonia	1	–	–	–	–	1	–	1	–
European Commission	30 254	79 372	90	(23)	363	110 056	41 630	68 426	39 901
Ferring	13	129	–	–	–	142	–	142	129
Finland	9 806	–	11	(272)	–	9 545	4 392	5 153	(64)
Flo Health UK Limited	–	29	–	–	–	29	–	29	29
Fondation Orange Guinée	28	–	–	–	–	28	28	–	–
Food and Agriculture Organization of the United Nations	914	1 144	1	–	–	2 059	694	1 365	75
Ford Foundation	4	–	–	–	(4)	–	–	–	–
France	3 797	9 284	13	–	–	13 094	5 369	7 725	–
Fundación Popular	92	152	–	–	–	244	166	78	–
Gabon	560	–	–	–	–	560	311	249	–
Gambia	1	–	–	–	–	1	–	1	–
Gates Ventures, LLC	186	–	–	–	–	186	156	30	–
Germany	4 802	1 781	10	(41)	–	6 552	2 651	3 901	1 243

	Fund balances as at 1 January	Contributions	Other revenue	Refunds	Transfers and adjustments	Total funds available	Expenses	Fund balances as at 31 December	Contributions receivable as at 31 December
Gobi Oyu Development Support Fund	9	–	–	–	(9)	–	–	–	–
Guatemala	5 239	(306)	–	(1 842)	–	3 091	3 091	–	–
Guinea	6 169	–	41	(1 730)	–	4 480	4 018	462	448
Guinea-Bissau	779	3 112	12	–	–	3 903	687	3 216	1 455
Haiti	40	–	–	–	–	40	(5)	45	–
Honduras	1 421	–	–	–	–	1 421	1 262	159	–
Iceland	11 386	5 202	9	–	(2)	16 595	5 799	10 796	5 959
India	5 081	–	2	(87)	–	4 996	684	4 312	1 770
Individual Giving Programme	50	155	–	–	–	205	6	199	–
Indonesia	306	–	–	(306)	–	–	–	–	–
International Labour Organization	293	–	6	(13)	–	286	112	174	–
International Organization for Migration	638	511	5	–	–	1 154	268	886	–
International Planned Parenthood Federation	218	289	–	–	–	507	147	360	–
Inventories – other resources – programme	88 149	–	–	–	–	88 149	(6 338)	94 487	–
Iraq	–	4 477	–	–	–	4 477	1 539	2 938	2 045
Ireland	1 230	3 295	6	(35)	(80)	4 416	1 137	3 279	(1)
Islamic Development Bank	43	–	–	–	–	43	43	–	–
Italy	18 777	12 759	13	(52)	–	31 497	7 798	23 699	13 898
Japan	31 516	16 599	(25)	(1 154)	(15)	46 921	24 665	22 256	158
Joint Programme-UNFPA: participating agent	7 983	23 479	156	–	–	31 618	20 916	10 702	1
Joint United Nations Programme on HIV/AIDS	6 773	2 445	13	(291)	–	8 940	4 489	4 451	3 014
Kazakhstan	43	338	–	–	–	381	279	102	–
KfW	(2)	–	–	2	–	–	–	–	–
Korea Foundation for International Healthcare	(5)	–	5	–	–	–	–	–	–
Kuwait	27	–	–	–	–	27	–	27	–
La Croix-Rouge française	219	–	(4)	–	–	215	(3)	218	–
La Fondation Axian	–	–	–	–	–	–	(7)	7	–
La Fondation Vodacom	–	208	–	–	–	208	–	208	208
Lebanon	6	–	–	–	–	6	–	6	–
Liberia	194	–	–	–	–	194	66	128	–

	Fund balances as at 1 January	*Contributions*	*Other revenue*	*Refunds*	*Transfers and adjustments*	*Total funds available*	*Expenses*	*Fund balances as at 31 December*	*Contributions receivable as at 31 December*
L'Oréal Climate Emergency Fund	–	109	–	–	–	109	109	–	–
Luxembourg	30 547	5 296	40	–	(81)	35 802	11 229	24 573	12 934
Madagascar	998	–	–	–	–	998	334	664	–
Malawi	1 767	6 462	–	–	–	8 229	2 979	5 250	4 552
Malaysia	1 580	600	2	–	–	2 182	550	1 632	–
Mali	171	–	(1)	–	–	170	82	88	–
Mauritania	2	–	–	–	–	2	–	2	–
Mauritius	204	–	–	31	–	235	70	165	30
Médecins sans frontières	163	–	–	–	–	163	–	163	–
Meiji Holdings	1	–	–	–	(1)	–	–	–	–
Merck Sharp & Dohme (Asia) Ltd.	640	346	–	–	–	986	377	609	–
Mexico	1 318	–	9	–	–	1 327	843	484	–
Morocco	2	1 287	–	–	–	1 289	313	976	–
Multi-donor funds	21 198	10 085	123	(470)	66	31 002	15 071	15 931	7 474
Netherlands (Kingdom of the)	60 551	4 285	(12)	(32)	324	65 116	19 140	45 976	22 746
New Zealand	2 163	2 142	4	–	–	4 309	2 871	1 438	–
Niger	542	(532)	–	–	–	10	–	10	–
Nigeria	271	4 168	2	–	–	4 441	375	4 066	–
Norway	46 623	18 474	275	(162)	–	65 210	36 969	28 241	5 956
Novo Nordisk Foundation	–	644	–	–	–	644	–	644	–
Nutrition International	1	–	–	–	–	1	–	1	–
Office for the Coordination of Humanitarian Affairs	28 724	40 481	265	(2 021)	(45)	67 404	41 337	26 067	–
Office of the Secretary-General's Envoy on Youth	26	–	–	–	–	26	–	26	–
Office of the Special Envoy of the Secretary-General for the Great Lakes Region	12	–	–	–	–	12	–	12	–
Office of the United Nations High Commissioner for Refugees	518	779	(25)	(45)	–	1 227	635	592	–
Olympic Refugee Foundation	656	–	1	–	–	657	596	61	–
Oman	114	–	–	–	–	114	–	114	–
Oman, basic terms cooperation agreement	919	860	–	–	–	1 779	1 391	388	–
Omidyar Network Development Initiatives LLC	–	761	–	–	–	761	197	564	–

	Fund balances as at 1 January	*Contributions*	*Other revenue*	*Refunds*	*Transfers and adjustments*	*Total funds available*	*Expenses*	*Fund balances as at 31 December*	*Contributions receivable as at 31 December*
Organon	408	148	(1)	–	–	555	280	275	–
Organon Comercializadora, S del R.L. de C.V.	269	–	2	–	–	271	205	66	–
Oyu Tolgoi LLC	–	–	–	6	(6)	–	–	–	–
Pan American Health Organization	–	174	–	–	–	174	–	174	–
Panama	821	7 446	–	–	–	8 267	511	7 756	7 112
Papua New Guinea	661	253	–	–	–	914	326	588	251
Paraguay	706	1 735	1	–	–	2 442	1 452	990	634
Peru	–	23 235	–	–	–	23 235	(2)	23 237	1 570
Portugal	129	–	–	–	–	129	–	129	–
Prada USA Corporation	284	35	1	–	–	320	297	23	–
Private individuals	21	–	(1)	–	–	20	9	11	–
Productora de Pulpas Soledad	(9)	8	–	–	–	(1)	(2)	1	–
Qatar	232	104	–	–	–	336	237	99	–
Reckitt Benckiser	2 450	1 380	–	36	–	3 866	836	3 030	1 999
Republic of Korea	40 465	66 469	186	(227)	–	106 893	28 406	78 487	45 628
Republic of Moldova	581	–	–	–	–	581	34	547	546
Republic of Suriname	–	773	–	–	–	773	4	769	395
Romania	314	(150)	2	–	–	166	166	–	–
Russian Federation	2 332	–	(1)	–	–	2 331	1 401	930	–
Sabanci Foundation	–	151	–	–	(1)	150	24	126	57
Sao Tome and Principe	476	–	(2)	–	–	474	193	281	200
Saudi Arabia	2 515	1 292	–	(45)	–	3 762	1 642	2 120	1 628
Sawiris Foundation for Social Development	–	74	–	–	–	74	17	57	–
Sierra Leone	–	769	–	–	–	769	769	–	–
Small contributions	2 325	3 025	3	(8)	112	5 457	2 882	2 575	–
Spain	11 961	2 191	204	(305)	(15)	14 036	9 121	4 915	–
Spain – Basque Country	6	16	–	–	–	22	14	8	–
Spain – Catalunya	727	311	2	(6)	–	1 034	598	436	–
Sweden	30 129	22 461	159	(182)	–	52 567	25 756	26 811	12 799
Switzerland	13 535	9 094	62	(325)	(2)	22 364	8 792	13 572	9 896

	Fund balances as at 1 January	Contributions	Other revenue	Refunds	Transfers and adjustments	Total funds available	Expenses	Fund balances as at 31 December	Contributions receivable as at 31 December
Tajikistan	15	109	–	(5)	–	119	108	11	–
Takeda Pharmaceutical Company Limited	6 448	–	5	–	–	6 453	2 403	4 050	3 006
The Foundation to Promote Open Society	2 048	–	–	–	–	2 048	367	1 681	184
Thematic trust funds – multi-donor	407 345	235 806	8 047	–	80	651 278	248 221	403 057	113 557
Timor-Leste	7	–	–	–	–	7	–	7	–
Turkmenistan	209	–	–	–	–	209	196	13	–
UNDP – multi-partner trust funds	45 266	38 629	83	(1 786)	96	82 288	37 130	45 158	–
Unilever Brazil Ltda.	182	–	–	–	–	182	78	104	–
United Arab Emirates	29	–	–	–	–	29	–	29	–
United Kingdom of Great Britain and Northern Ireland	51 233	64 900	27	(9)	–	116 151	47 681	68 470	24 316
United Nations Children's Fund	20 043	34 358	211	(1 331)	(9)	53 272	28 296	24 976	7 077
United Nations Development Programme	5 822	3 410	40	(21)	4	9 255	2 825	6 430	4 439
United Nations Department of Political and Peacebuilding Affairs	–	210	–	–	–	210	50	160	84
United Nations Educational, Scientific and Cultural Organization	63	–	–	–	–	63	40	23	–
United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)	6 883	4 270	–	(24)	–	11 129	3 992	7 137	4 406
United Nations Fund for International Partnerships	–	183	–	–	–	183	–	183	47
United Nations Human Settlements Programme (UN-Habitat)	885	–	–	–	–	885	74	811	–
United Nations Interim Security Force for Abyei	21	100	–	–	–	121	107	14	–
United Nations Investigative Team to Promote Accountability for Crimes Committed by Da'esh/Islamic State in Iraq and the Levant	–	2 004	(1)	–	–	2 003	560	1 443	–
United Nations Office for Project Services	7 835	478	381	(18)	–	8 676	8 201	475	–
United Nations Office for South-South Cooperation	1 832	2 136	(1)	–	–	3 967	818	3 149	2 409
United Nations Resident Coordinator Office	4	–	–	–	–	4	–	4	–
United Nations trust fund for human security	33	–	–	–	–	33	25	8	–
United States of America	126 061	218 942	623	(5 269)	–	340 357	143 145	197 212	71 177
Uruguay	2 686	3 508	1	–	–	6 195	2 124	4 071	1 464
USA for UNFPA	679	711	(1)	–	(56)	1 333	584	749	–
UZ Brussel Foundation	–	167	1	–	–	168	51	117	–
Vital Strategies Health Systems (Asia Pacific) Limited	214	–	–	–	–	214	44	170	107
Vital Strategies, Inc.	456	–	–	(7)	–	449	328	121	–

	Fund balances as at 1 January	*Contributions*	*Other revenue*	*Refunds*	*Transfers and adjustments*	*Total funds available*	*Expenses*	*Fund balances as at 31 December*	*Contributions receivable as at 31 December*
Wesley Zaidan	123	–	–	–	–	123	85	38	–
West African Health Organization	5 947	10 000	4	(754)	–	15 197	5 197	10 000	10 000
World Bank	5	149	–	(1)	–	153	148	5	–
World Food Programme	360	1 441	1	–	(5)	1 797	409	1 388	176
World Health Organization	484	1 252	–	–	–	1 736	790	946	–
World Vision International and World Vision, Inc.	–	306	–	–	–	306	–	306	–
World Vision PNG Trust	246	–	1	(261)	–	(14)	(14)	–	–
Zimbabwe	(4)	–	–	–	–	(4)	(2)	(2)	–
Zonta International Foundation	670	990	–	(8)	–	1 652	646	1 006	495
Subtotal, trust funds	**1 501 969**	**1 333 122**	**11 720**	**(25 776)**	**680**	**2 821 715**	**1 069 963**	**1 751 752**	**685 223**
Special funds									
Bridge funding liability foreign currency exchange adjustments	177	–	–	–	–	177	–	177	–
Contribution in kind – earmarked (goods)	311	3 727	–	–	–	4 038	391	3 647	3 616
Donor reporting resources	901	–	501	–	–	1 402	437	965	–
European Union finance specialist post	158	–	–	–	–	158	17	141	–
Global Contraceptive Commodity Programme	1 485	–	–	–	(1 536)	(51)	(51)	–	–
Inventories – other resources – corporate	2 873	–	220	–	–	3 093	1 580	1 513	–
Junior Professional Officers programme	6 411	4 533	176	(55)	–	11 065	4 334	6 731	224
Pooled foreign exchange gains/losses for other resources	2 562	–	–	–	(798)	1 764	–	1 764	–
Population Award	1 869	–	58	–	–	1 927	–	1 927	–
Procurement administrative fund	–	–	4 195	–	(5 521)	(1 326)	(1 326)	–	–
Procurement services – non-third party services-related	26 649	–	2 291	–	1 536	30 476	2 123	28 353	634
Rafael M. Salas Endowment Fund	1 114	–	35	–	–	1 149	–	1 149	–
United Nations Care Global Coordinator	9	–	–	–	–	9	–	9	–
Valuation adjustments for contributions receivable	(3 605)	(24 613)	–	–	–	(28 218)	–	(28 218)	(28 205)
Subtotal, special funds	**40 914**	**(16 353)**	**7 476**	**(55)**	**(6 319)**	**25 663**	**7 505**	**18 158**	**(23 731)**
Total	**1 542 883**	**1 316 769**	**19 196**	**(25 831)**	**(5 639)**	**2 847 378**	**1 077 468**	**1 769 910**	**661 492**

Note: Contributions and expenses as disclosed in this schedule include indirect cost-recovery charges of $71.8 million. With the exception of this schedule, expenses and earmarked contributions in other statements, notes and schedules are shown net of those amounts.

Schedule C
Third-party procurement services

Third-party procurement is procurement conducted by UNFPA, with no direct programme component, at the request and on behalf of third parties (governments, intergovernmental organizations, NGOs or United Nations entities, including the funds and programmes of the United Nations system and subsidiary organs of the United Nations). Such procurement is related to the UNFPA mandate and is consistent with its aims and policies. The terms of the procurement are specified in a procurement services contract, which includes a handling fee payable to UNFPA to defray its costs associated with conducting the procurement.

(Thousands of United States dollars)

	Fund balances as at 31 December 2023 reclassified as liabilities	*Receipts for procurement services*	*Adjustments and transfers*	*Total funds available*	*Cost of procurement services*	*Net advances as at 31 December 2024*
Institutions						
Governments and intergovernmental institutions	8 449	71 495	14	79 958	62 607	17 351
UNDP and other United Nations organizations	521	10 660	(179)	11 002	7 463	3 539
Non-governmental organizations	(2 643)	13 236	(14)	10 579	8 882	1 697
Total	**6 327**	**95 391**	**(179)**	**101 539**	**78 952**	**22 587**

Schedule D
Unearmarked and earmarked expenses for the year ended 31 December 2024
(Thousands of United States dollars)

	Programme activities				*Institutional budget*		*Corporate*				*Total*			
	Unearmarked		*Earmarked*		*Unearmarked*		*Unearmarked*		*Earmarked*		*Unearmarked*		*Earmarked*	
	2024	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
Staff costs	118 374	111 233	120 655	106 212	158 813	153 962	(2 733)	(3 354)	14 645	12 323	274 454	261 841	135 300	118 535
Reproductive health and other programme-related supplies	6 888	11 073	233 300	264 660	159	102	(1 557)	(2 410)	2 396	3 082	5 490	8 765	235 696	267 742
Cash assistance programmes	843	321	7 913	5 680	6	–	–	–	–	–	849	321	7 913	5 680
Development and training of counterparts	21 139	25 479	116 236	136 966	127	33	(1)	27	6	29	21 265	25 539	116 242	136 995
Supplies, materials and operating costs	54 606	59 452	182 127	190 049	29 502	27 541	(14 163)	(7 371)	(13 500)	(11 556)	69 945	79 622	168 627	178 493
Contracted and professional services	53 866	59 256	265 539	257 085	15 370	15 769	8 926	4 371	2 711	1 821	78 162	79 396	268 250	258 906
Finance costs	209	141	2 585	1 116	30	27	76	31	–	–	315	199	2 585	1 116
Travel	19 858	24 248	39 888	37 714	3 580	4 381	(239)	956	629	469	23 199	29 585	40 517	38 183
Depreciation and amortization	–	–	–	–	–	–	9 074	8 322	–	–	9 074	8 322	–	–
Impairment	37	13	1	33	–	–	–	551	(11)	23	37	564	(10)	56
Other expenses	170	541	30 167	4 480	22	9	39 334	5 116	410	412	39 526	5 666	30 577	4 892
Total expenses	**275 990**	**291 757**	**998 411**	**1 003 995**	**207 609**	**201 824**	**38 717**	**6 239**	**7 286**	**6 603**	**522 316**	**499 820**	**1 005 697**	**1 010 598**