

UNIFIED BUDGET, RESULTS AND ACCOUNTABILITY FRAMEWORK FINANCIAL REPORTING

Additional documents for this item: Interim Financial Management Update for the period 1 January 2020 to 31 March 2020 (UNAIDS/PCB (46)/20.13).

Action required at this meeting – the Programme Coordinating Board is invited to:
Accept the financial report and audited financial statements for the year ended 31 December 2019

Cost implications for decisions: none

Table of contents

Part I: Introduction	5
Part II: 2019 Statement of Internal Control	10
Part III: Audited financial statements, schedules, and notes to the accounts for the year ended 31 December 2018	
Background note	15
Certification of Financial Statements	16
Letter of transmittal of the External Audit	17
Opinion of the External Auditor	18
Statement I: Statement of Financial Position All sources of funds as at 31 December 2018	22
Statement II: Statement of Financial Performance All sources of funds for the year ended 31 December 2018	23
Statement III: Statement of changes in net assets/equity All sources of funds for the year ended 31 December 2018	24
Statement IV: Cash Flow Statement All sources of funds for the year ended 31 December 2018	25
Statement V: Statement of Comparison of Budget and Actual Amount for the year ended 31 December 2018 relating to the 2018–2019 Unified Budget, Results and Accountability Framework	26
Notes to the Financial Statements	27
Statement of Objectives	27
Basis of preparation and presentation	27
Significant accounting policies	28
Supporting information to the Statement of Financial Position	34
Supporting information to the Statement of Financial Performance	47
Schedule 1: Statement of Financial Performance by Segments All sources of funds for the year ended 31 December 2019	50
Reconciliation between Statement of Budgetary Comparison (Statement V) and Statement of Financial Performance (Statement II)	52
Schedule 2: Unified Budget, Results and Accountability Framework Details of revenue for the year ended 31 December 2019	53
Schedule 3: Supplementary funds Details of revenue for the year ended 31 December 2019	54
Schedule 4: Extra-budgetary funds Details of revenue for the year ended 31 December 2019	55
Part IV: Management information	57
Table 4: 2018–2019 Unified Budget, Results and Accountability Framework approved allocations, expense and encumbrance for the financial period ended 31 December 2019	58
Table 5: Supplementary funds Funds available, expense and encumbrance summary by source of revenue for the year ended 31 December 2019	60
Table 6: Extra-budgetary funds Funds available, expense and encumbrance summary by source of revenue	

for the year ended 31 December 2019.....	61
Table 7: Country and Regional expense and encumbrances by all sources of funds for the year ended 31 December 2019	62
Table 8: Country Envelopes allocation, expense and encumbrances for the year ended 31 December 2019.....	64

PART I

INTRODUCTION

1. In accordance with the Programme Coordinating Board Modus Operandi, Function 5 (vi) of the Joint United Nations Programme on HIV/AIDS, the UNAIDS Secretariat is submitting the financial report for the year ended 31 December 2019 to the Programme Coordinating Board (PCB), as per established procedures, which require the Board to review the financial report of the Programme.
2. The Financial Statements, Accounting Policies, and Notes to the Financial Statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) and in accordance with the Financial Regulations and Rules of the World Health Organization (WHO).
3. This is the eighth year that UNAIDS financial statements have been prepared based on IPSAS, which continues to enhance transparency, increase accountability and improve the financial reporting of UNAIDS.
4. Managerial accountability, transparency and risk management are key aspects of the reform agenda in UNAIDS and progress continues unabated in this regard. For the first time a Statement of Internal Control (SIC) is included in the Audited Financial Statements. The SIC is a public accountability document signed by the Executive Director, describing the effectiveness of UNAIDS's internal controls and provides details of any significant control issues and risks during the year, and actions taken in response. The SIC will continue to be reviewed each year to assure stakeholders and demonstrate accountability.
5. The implementation of IPSAS does not currently impact the preparation of the Unified Budget, Results and Accountability Framework (UBRAF), which continues to be prepared on a modified cash basis. As this basis differs from the accrual basis applied to the financial statements, reconciliation between the budget and the principal financial statements is provided in accordance with the requirements of IPSAS.
6. Highlights of revenue, expense, net assets/equity, assets and liabilities of the Programme are supplied, as is information on cash flow, liquidity and equity. This is done to provide a complete picture of the financial position of UNAIDS, as at 31 December 2019.

Approved budget and work plan

7. The 2016–2021 UBRAF is the Joint Programme's instrument to operationalize the UNAIDS Strategy for 2016–2021, which the PCB adopted at its 37th meeting in October 2015. It aims to advance progress towards reaching UNAIDS' long-term vision of zero new HIV infections, zero discrimination, zero AIDS-related deaths.
8. At its 40th meeting in June 2017, the Programme Coordinating Board approved the 2018–2019 budget and the revised resource mobilization and allocation model. It approved an annual core budget of US\$ 184 million and distribution of US\$ 140 million to adequately resource the UNAIDS Secretariat; allocation of US\$ 44 million to Cosponsors (US\$ 22 million with US\$ 2 million to each Cosponsor allocated centrally and a further allocation of US\$ 22 million at country level in the form of country envelopes to leverage joint action in the Fast-Track countries and in support of populations in greatest need in other countries).
9. It also approved the allocation of additional resources in the form of supplemental funds totaling US\$ 58 million (US\$ 43 million for the Cosponsors and US\$ 15 million for the Secretariat) to address particular epidemic and country contexts, thus bringing the total

resources to the level of a fully funded Unified Budget, Results and Accountability Framework (US\$ 484 million in 2018-2019 biennium).

Revenue

10. Total revenue for the year ended 2019 for both core and non-core funds was US\$ 230.5 million (compared to US\$ 219.7 million for 2018). Of this amount, US\$ 184.2 million was made available towards the UBRAF and US\$ 46.3 million to non-core funds. Of the non-core funds, US\$ 44 million was made available to UNAIDS to provide support to a number of global, regional and country activities that are designated for specific countries or purposes. The balance of US\$ 2.3 million represented mainly actuarial gains under the Terminal Payments Fund. Table 1 provides details of revenue for 2019 and 2018.

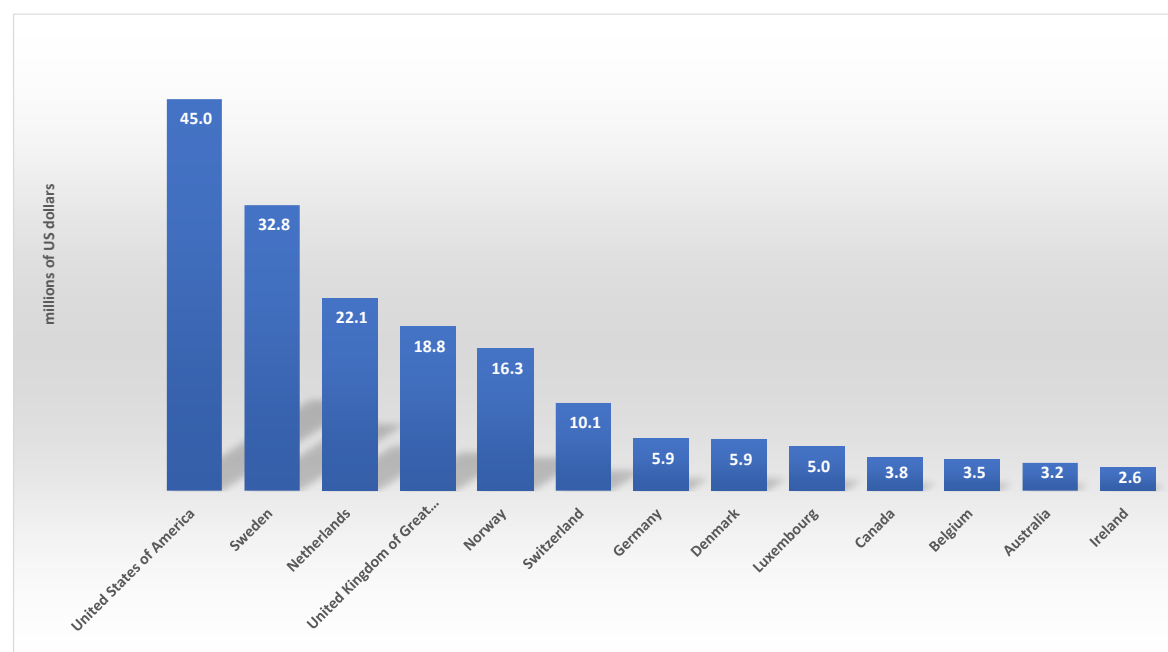
Table 1. Details of revenue: all funds (in US dollars)

Revenue	UBRAF Core Funds		Non-Core Funds		TOTAL	
	2019	2018	2019	2018	2019	2018
Governments	179 019 416	184 535 955	38 231 147	21 025 549	217 250 563	205 561 504
Cosponsoring organizations	-	-	3 688 171	3 688 920	3 688 171	3 688 920
Others	212 956	226 958	2 038 561	5 128 403	2 251 517	5 355 361
Finance revenue	4 938 290	4 021 575	2 383 541	1 108 910	7 321 831	5 130 485
Grand Total	184 170 662	188 784 488	46 341 420	30 951 782	230 512 082	219 736 270

11. As summarized in Table 1 above, revenue totaling US\$ 184.2 million was mobilized and made available towards the UBRAF. This represented 76% of the Secretariat resource mobilization target of US\$ 242 million for the year 2019 (compared to US\$ 188.8 million or 78% for 2018 and US\$ 176.9 million or 73% for 2017), which resulted in a shortfall of US\$ 57.8 million against the PCB-approved budget. The 2019 shortfall is larger than the US\$ 53.2 million shortfall in 2018.

12. Figure 1 (below) provides details of revenue received from UNAIDS main donors towards the UBRAF for the year 2019.

Figure 1. Details of revenue received from main donors towards the Unified Budget, Results and Accountability Framework for the year 2019 (in millions of US dollars)



Expense

13. Total expenses for the year ended 31 December 2019 amounted to US\$ 233.7 million (compared to US\$ 209.3 million for 2018 and US\$ 225.2 million for 2017), of which US\$ 178.8 million related to expenses against the UBRAF for 2018–2019; US\$ 53.3 million represented expenses under the non-core funds and US\$ 1.6 million represented finance costs. Table 2 provides details of expense by fund type for 2019 and 2018.

Table 2. Details of expense: all funds (in US dollars)

Expense	2019	2018
UBRAF core funds	178 804 425	171 798 677
Non-core funds	53 345 505	30 397 337
Prior period expense	-	3 789 629
Finance costs	1 584 712	3 341 700
Total Expense	233 734 642	209 327 343

14. Through the strategic repositioning completed in 2016 and together with initiatives and measures put in place to reduce costs and increase cost-effectiveness and efficiency the Secretariat expense stayed within its approved share of the UBRAF (i.e. to US\$ 137.5 million against US\$ 140 million in the approved budget). The 2019 Secretariat UBRAF expense and encumbrances of US\$ 137.5 million is higher than that of 2018 mainly due to the one-time retroactive salary payment for Geneva International staff paid in August 2019.
15. In addition, the total 2019 expense of US\$ 233.7 million represented an increase of US\$ 24.4 million or 11.6% compared to the total expense for the year ended 2018 which amounted to US\$ 209.3 million. This is reflected in Table 3 and Figure 2 (below), which also

show that the increase in costs of US\$ 2.2 million under the staff expense category; US\$ 12.9 million under the transfers and grants to counterparts expense category and US\$ 7.7 million under contractual services expense category. The remaining expense under the other major expense categories are consistent when compared to 2018.

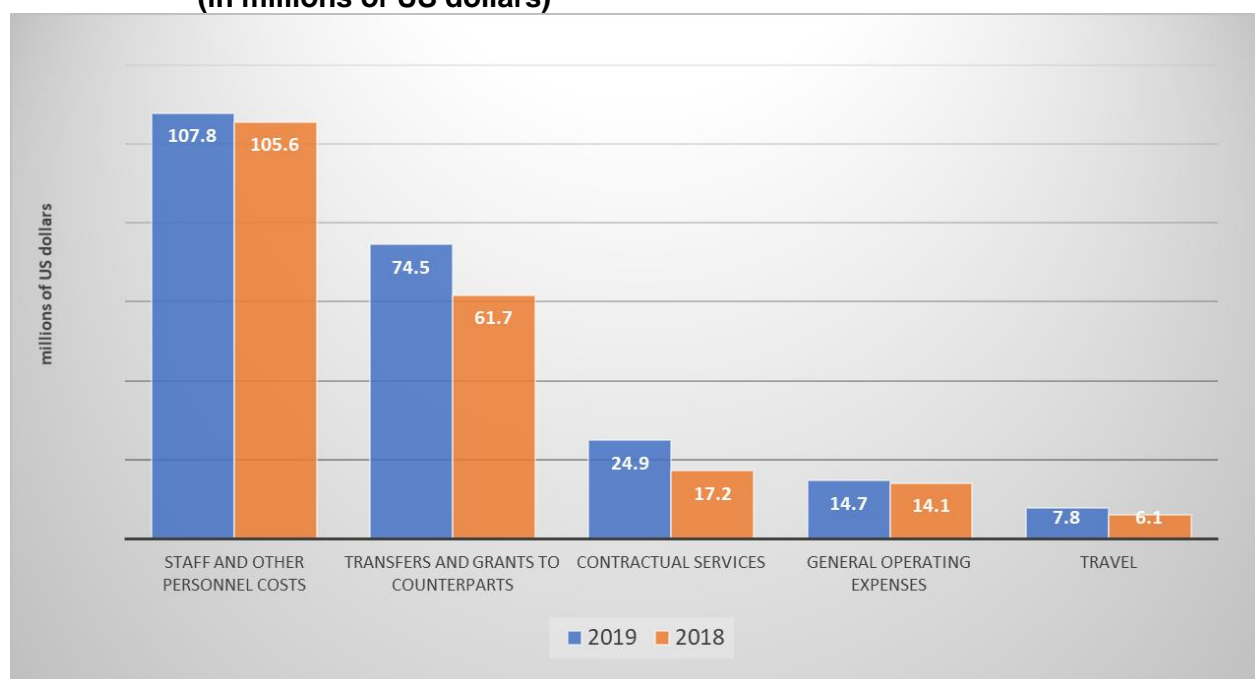
16. The increase in transfers and grants to counterparts from US\$ 61.7 million in 2018 to US\$ 74.5 million in 2019 is almost entirely related to non-core funding agreements with partners, i.e. increases of US\$ 4.6 million related to the Robert Carr Fund, US\$ 3.9 million from USAID to activities in Myanmar, US\$ 1 million from the Russian Federation funded projects and US\$ 1.1 million from a USAID funded project to provide essential technical support to 20 priority cities in Fast-Track countries. The increase in contractual services expenditures from US\$ 17.2 million in 2018 to US\$ 24.9 million in 2019 are related almost entirely to the expansion of requests made for technical support for countries provided via the USAID funded UNAIDS Technical Support Mechanism.
17. In addition, several large events and projects were implemented in 2019 to ensure our partners and UNAIDS staff could more efficiently and effectively deliver on our objectives, which resulted in an increase in travel in 2019 by US\$ 1.7 million when compared to 2018. These events included, but were not limited to, the High-Level Meeting on 'Accelerating Progress Towards the 2020 HIV Prevention Targets, Global Community mobilisation meeting, Champions project and the MAP inspired Women's Leadership programme.

Table 3. Details of expense by category (in US dollars)

Expense	2019	2018
Staff and other personnel costs ^{a/}	107 856 288	105 616 408
Transfers and grants to counterparts	74 536 016	61 676 308
Contractual services	24 901 282	17 185 877
General operating expenses	14 682 755	14 087 766
Travel	7 809 773	6 149 310
Equipment, furniture and vehicles	443 240	659 234
Depreciation	543 944	610 740
Finance costs	2 961 344	3 341 700
Total Expense	233 734 642	209 327 343

^{a/} Includes US\$ 3.7 million for 2019 and US\$5.6 million for 2018 related to expense against the Staff Health Insurance due to movement in the actuarial liability.

**Figure 2. Details of expense by major category for year 2019 and 2018
(in millions of US dollars)**



Fund balance

18. The nature of UNAIDS as a voluntary funded programme requires a fund balance that serves as working capital to initiate and implement activities pending receipt of firm pledges/contributions. To ensure continuity of activities from one year to the next, including the transfer of funds to Cosponsors, a sufficient fund balance at the end of each year is necessary to ensure the smooth start up and implementation of the UBRAF in the following year/biennium.
19. At its 26th meeting, held in Geneva from 22–24 June 2010, the PCB approved a maximum level for the UBRAF net fund balance equivalent to 35% (i.e. US\$ 170.0 million) of the UNAIDS biennial budget. Furthermore, at its 36th meeting, held in Geneva from 30 June to 2 July 2015, the Board approved the minimum level for UNAIDS net fund balance equivalent to 22% (i.e. US\$ 107 million) of the UNAIDS biennial budget.
20. As of 31 December 2019, the net fund balance of the UBRAF stood at US\$ 100.3 million or 20.7% of the biennial budget¹ (compared to US\$ 95.6 million or 19.7% at 31 December 2018 and US\$ 81.7 million or 16.8% as at 31 December 2017). This is below the minimum level of 22% (or US\$ 107 million) of the biennial budget as approved by the Board in June 2015.
21. As highlighted under paragraph 19, the fund balance of the UBRAF is the Joint Programme's working capital. It enables the transfer of funds to the Cosponsors at the beginning of each year and enables the Joint Programme to operate without interruption. However, given that the level of the fund balance as of 31 December 2019 remains below the minimum balance established by the PCB, the Secretariat will continue to monitor the fund balance closely and intensify the mobilization of resources to ensure the fund balance is maintained at a level that enables the effective implementation of the UBRAF.

¹ In addition to the expense of US\$ 178.8 million in 2019 under the 2018–2019 UBRAF, US\$ 3.8 million was encumbered during 2019 (representing firm commitments of goods and services to be delivered in 2020). As a result, the net fund balance as at 31 December 2019 under the UBRAF to cover 2020 UBRAF activities was US\$ 100.3 million (US\$ 104.1 million less US\$ 3.8 million reserved for 2019 encumbrances).

PART II: 2019 STATEMENT OF INTERNAL CONTROL

Scope of responsibility

As Executive Director of the Joint United Nations Programme on HIV/AIDS (UNAIDS), I am accountable, in accordance with the responsibilities assigned to me, in particular, Financial Regulation 12.1, for maintaining a sound system of internal control to “ensure the accomplishment of established objectives and goals for operations; the economical and efficient use of resources; the reliability and integrity of information; compliance with policies, plans, procedures, rules and regulations; and the safeguarding of assets.”

Purpose of internal control

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

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

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

From an operational perspective, UNAIDS’ internal control system operates continually at all levels of the Secretariat through internal control processes to ensure the above objectives. My current statement on UNAIDS’s internal control processes, as described above, applies for the year ended December 31, 2019, and up to the date of the approval of the Organization’s 2019 financial statements.

UNAIDS operating environment

UNAIDS operates in challenging environments and is therefore exposed to situations with a high level of inherent risk, including in terms of the security of its employees and, in some cases, its ability to maintain the highest standards of internal control. The security situation in each country in which UNAIDS (and the United Nations in general) operates is closely monitored, and strategic decisions are taken where necessary to adapt UNAIDS’ operations and to manage and mitigate the risk exposure of its personnel. All risks are captured in a formal risk register and will be subject to regular review by managers.

The Internal Control Framework and Risk Management

UNAIDS’ Management Accountability Framework operates in tandem with the Risk Management Framework and the Internal Control Framework. These frameworks are critical to the accomplishment of the Joint Programme’s objectives and goals with enhanced accountability and greater transparency.

The risk management framework aims to embed a systematic and effective approach to identifying, assessing and managing risks and opportunities. Senior Management have identified the high-level risks and opportunities which have been compiled into a UNAIDS Risk Universe. Department, Regional, Liaison and Country Office Directors/Managers develop risk registers, including mitigating action plans, based on their risk analysis. Quality assurance of registers is undertaken prior to their evaluation by the Risk Committee.

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

Review of the effectiveness of internal controls

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

- My senior managers, in particular Deputy Executive Directors, Regional Support Team and Liaison Directors, Country Office Directors, Department and Functional Directors, who play important roles and are accountable for results, performance, controlling activities under their purview and the resources entrusted to them.
- I derive assurance from the Attestations of Internal Control signed by the Department/Regional Directors. These letters confirm the importance of ensuring that adequate internal controls are in place, along with other assurances.
- The internal control self-assessment checklist completed by managers. The 2019 self-assessment exercise deemed internal controls to be adequate overall. The operational control area of risk management was considered to have the most room for improvement. For the functional control areas, awards and human resources, in particular succession planning, were also listed as in need of strengthening. The results of the self-assessment exercise will be reviewed carefully, and action plans developed to address areas for improvement, if applicable.
- The risk assessments completed by managers. The 2019 exercise deemed that the top risks in terms of occurrence relate to political risks, human resources, programmatic, funding and governance risks.
- Reports issued by the Office of Internal Oversight, which include independent and objective information on the adequacy and effectiveness of UNAIDS's system of internal controls together with recommendations for improvement.
- Reports issued by the External Auditor that provide an independent oversight and reporting on UNAIDS' compliance with financial rules and regulations. The External Auditor presents an update of its work and key findings to the Programme Coordinating Board.
- The Programme Coordinating Board's observations.

Significant risk issues noted

Managers reported 361 risks. The most significant risks currently facing the Organization are as summarized in the table below, with examples of response actions.

Risks and response actions	
Donors significantly decrease their funding for AIDS and UNAIDS	<ul style="list-style-type: none"> Reinforce advocacy and develop innovative new partnerships to strengthen the resource base
	<ul style="list-style-type: none"> Continue efforts to expand conventional donor base
	<ul style="list-style-type: none"> Strengthen leadership and coordination of resource mobilization activities through EXO
	<ul style="list-style-type: none"> Reinforce award management capacity to enhance effective and accountable implementation and reporting of all sources of funds
	<ul style="list-style-type: none"> Reinforce donor confidence through the expansion of accountability and performance management across the organisation
Unclear roles and jurisdictions in the multi-agency and intergovernmental efforts	<ul style="list-style-type: none"> Fully support and take a leading role in UN reform efforts, including RC leadership, efforts at the country level, and show case examples of best practise
	<ul style="list-style-type: none"> Ensure continued focus on UNAIDS' core function and areas of comparative advantage: advocacy, leadership and coordination
	<ul style="list-style-type: none"> Positive engagement in global health architecture discussions
	<ul style="list-style-type: none"> Maintain a close and collaborative relationship with the GFATM, PEPFAR to ensure effective and strategic implementation of country programmes
UNAIDS role undermined and staff safety/wellness compromised due to political instability, natural disasters and other external threats	<ul style="list-style-type: none"> Use of SMT/UNCT to monitor situation and collaborate with UN agencies in the provision of guidance, training and support to ensure integration of HIV programming into humanitarian and security activities.
	<ul style="list-style-type: none"> Ensure all offices have business continuity plans in place, including coordination actions with UNAIDS security officer
	<ul style="list-style-type: none"> Ensure continuous engagement by UCD with RC, UNCT, and UNDSS
	<ul style="list-style-type: none"> Ensure efficient provision of back up support from regional offices including, but not limited to, flexible financing, adhoc TA and administrative resource capacity
	<ul style="list-style-type: none"> Promote engagement between UCO staff and the UNAIDS staff wellness officer so staff have the information and are able to access services to promote and protect mental health and wellbeing
	<ul style="list-style-type: none"> Critical incident stress response for staff through the Staff Counselling service in coordination with Security
	<ul style="list-style-type: none"> Reinforce risk management process to ensure the development of mitigation actions
Strategic partners do not act in a manner consistent with UNAIDS' philosophies, strategies and objectives	<ul style="list-style-type: none"> Advocacy and political mobilization to increase domestic investment in the AIDS response.
	<ul style="list-style-type: none"> Deliver strong and consistent messaging both internally and externally (through communications and commitment of resources) on top priorities
	<ul style="list-style-type: none"> Continue to strengthen the evidence base concerning effective AIDS responses through normative guidance and strategic information
	<ul style="list-style-type: none"> Continue leadership in communication and advocacy

Risks and response actions	
	<ul style="list-style-type: none"> • Strengthen outreach and partnerships with external key influential partners
Failure to attract people with the appropriate skills and experience	<ul style="list-style-type: none"> • Enhance and modernise recruitment practices
	<ul style="list-style-type: none"> • Assessment centres for the recruitment of staff with supervisory responsibilities, incorporating expanded methods and tools to assess candidates on UNAIDS' values and technical and managerial competencies
UNAIDS's processes combined with poor talent management practices expose UNAIDS to staff loss and underperformance	<ul style="list-style-type: none"> • Review and redesign the staff mobility policy, workforce planning and career development modalities.
	<ul style="list-style-type: none"> • Reinforced communication and greater transparency on the mobility exercise
	<ul style="list-style-type: none"> • Senior management promotes a culture of initiative taking and innovation
	<ul style="list-style-type: none"> • Implement "upward feedback" from staff in management appraisals of staff at director level or higher to better assess their competency
	<ul style="list-style-type: none"> • Staff recognized for their achievements and contributions to the goals of UNAIDS
	<ul style="list-style-type: none"> • Staff provided with information and access to services to promote and protect mental health and wellbeing
	<ul style="list-style-type: none"> • Improve internal office communication and enhance work-life balance
	<ul style="list-style-type: none"> • Enhance and diversify sources of mentoring and coaching (i.e. beyond the direct supervisor).
Cosponsoring UN agencies have different overall agendas which limit their work on AIDS	<ul style="list-style-type: none"> • Support re-engagement of member states at the boards of UN cosponsoring agencies
	<ul style="list-style-type: none"> • Ensure implementation of UNAIDS Joint Programme JIU recommendations
	<ul style="list-style-type: none"> • Demonstrate the added value of joint programme at all levels but particularly at the country level
	<ul style="list-style-type: none"> • Senior Management commit time to strengthen relationships
	<ul style="list-style-type: none"> • Ensure allocation of resources to effective joint programme activities
	<ul style="list-style-type: none"> • Simplify the planning, budgeting and reporting processes, while promoting the broad importance of UNAIDS revised operating model at country level.
	<ul style="list-style-type: none"> • Regular involvement in UN Reform activities with DOCO, UNDG, etc

Statement

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

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

Based on the above, I conclude that, to the best of my knowledge and information, there are no material weaknesses that would prevent the external auditor from providing an unqualified opinion on UNAIDS financial statements, nor are there other significant matters arising that would need to be raised in the present document for the year ended 31 December 2019 and up to the date of approval of the financial statements.



Winnie Byanyima
Executive Director

Geneva, 17 April 2020

PART III: FINANCIAL STATEMENTS, SCHEDULES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

This section of the financial report presents the overall financial position of UNAIDS as of and for the year ended 31 December 2019. The relevant financial statements, accompanying notes and supporting schedules have been prepared in compliance with the requirements of the WHO Financial Regulations, Financial Rules and the International Public Sector Accounting Standards (IPSAS). The schedules provide background details and explanations in support of individual funds and accounts administered by UNAIDS, through the WHO financial systems, for the year ended 31 December 2019.

Certification of Financial Statements for the year ended 31 December 2019

The financial statements, accounting policies and notes to the financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are also prepared in accordance with the Financial Regulations and Financial Rules of WHO, which provides administration in support of UNAIDS as per ECOSOC resolution 1994/24, and Article XI of the Memorandum of Understanding among Cosponsors establishing UNAIDS.

The financial statements for the year ended 31 December 2019, together with the notes to the statements and supporting schedules are approved.



George Farhat
Director, Planning Finance
And Accountability



Winnie Byanyima
Executive Director
UNAIDS

Geneva, 12 March 2020



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

LETTER OF TRANSMITTAL

6 April 2020

Dear Sir/Madam,

I have the honour to present to the Programme Coordinating Board, the External Auditor's report and opinion on the financial statements of the Joint United Nations Programme on HIV/AIDS (UNAIDS) for the financial year ended 31 December 2019.

I record my appreciation to the Programme Coordinating Board for the honor and privilege to serve as External Auditor of UNAIDS from 2012 to 2019.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael G. Aguinardo'.

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

The Chair
Programme Coordinating Board
Joint United Nations Programme on HIV/AIDS
Geneva, Switzerland





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

6 April 2020

Dear Ms. Byanyima,

**REPORT OF THE EXTERNAL AUDITOR
TO THE PROGRAMME COORDINATING BOARD ON THE
FINANCIAL OPERATIONS OF THE JOINT UNITED NATIONS
PROGRAMME ON HIV/AIDS (UNAIDS)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

I have the honour to present to you the above report which may kindly be transmitted to the Programme Coordinating Board, UNAIDS. All matters contained in the report have been communicated to the appropriate staff and management of UNAIDS.

I express my appreciation for the cooperation and assistance that I have received in the performance of my audit mandate from 2012 to 2019.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael G. Aguinaldo'.

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

Ms. Winnie Byanyima
Executive Director
Joint United Nations Programme on HIV/AIDS
20 Avenue Appia
CH-1211 Geneva 27
Switzerland





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

INDEPENDENT AUDITOR'S REPORT

To the Programme Coordinating Board

Opinion

We have audited the financial statements of the Joint United Nations Programme on HIV/AIDS (UNAIDS), which comprise the statement of financial position as at 31 December 2019, and the statement of financial performance, statement of changes in net assets/equity, statement of cash flow, and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the UNAIDS as at 31 December 2019, and its financial performance, changes in net assets/equity, cash flow, and comparison of budget and actual amounts for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the **Financial report and audited financial statements for the year ended 31 December 2019**, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the UNAIDS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the UNAIDS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.


- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

In accordance with Regulation XIV of the WHO Financial Regulations, we have also issued a long-form report on our audit of the UNAIDS.


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

Quezon City, Philippines
6 April 2020



Statement I

Statement of Financial Position

All sources of funds as at 31 December 2019

(in US dollars)

	Note	31 December 2019	31 December 2018
ASSETS			
Current assets			
Cash and cash equivalents held by WHO	4.1	157 182 670	162 792 418
Accounts receivable - current	4.2	118 773 647	93 685 803
Staff receivables	4.3	2 123 425	2 404 950
Prepayments	4.4	661 516	582 600
Other current receivables	4.5	271 410	90 586
Total current assets		279 012 668	259 556 357
Non-current assets			
Accounts receivable - non-current	4.2	20 354 701	12 766 323
Property, plant and equipment	4.8	20 379 747	20 693 087
Total non-current assets		40 734 448	33 459 410
TOTAL ASSETS		319 747 116	293 015 767
LIABILITIES			
Current liabilities			
Accounts payable	4.9	1 867 329	3 908 216
Staff payable	4.10	238 695	161 212
Accrued staff benefits - current	4.11	8 287 218	8 415 177
Deferred revenue - current	4.12	33 069 404	13 974 194
Long-term borrowings - current	4.13	613 333	605 876
Total current liabilities		44 075 979	27 064 675
Non-current liabilities			
Accrued staff benefits - non-current	4.11	47 189 712	66 031 388
Deferred revenue - non-current	4.12	20 297 717	12 709 339
Long-term borrowings - non-current	4.13	22 080 000	20 922 307
Total non-current liabilities		89 567 429	99 663 034
TOTAL LIABILITIES		133 643 408	126 727 709
NET ASSETS/EQUITY			
Net assets/reserves			
Operating Reserve Fund	4.14	35 000 000	35 000 000
Equity in capital assets	4.15	8 416 946	7 803 613
Common Fund		(13 780 335)	(12 099 709)
Non-restricted funds		104 119 627	99 183 390
Restricted funds		45 561 000	53 484 158
Building Renovation Fund	4.16	5 923 004	5 373 127
Staff Benefits		(2 105 672)	(24 478 012)
Non-payroll staff entitlements Fund		2 969 138	2 021 491
TOTAL NET ASSETS/EQUITY		186 103 708	166 288 058
TOTAL LIABILITIES AND NET ASSETS/EQUITY		319 747 116	293 015 767

The statement of significant accounting policies and the accompanying notes form part of the financial statements.

Statement II
Statement of Financial Performance
All sources of funds for the year ended 31 December 2019
(in US dollars)

	Notes	31 December 2019	31 December 2018
Revenue			
Voluntary contributions	5.2		
Governments		217 250 563	205 561 504
Cosponsoring organizations		3 688 171	3 688 920
Others		2 251 517	5 355 361
Finance revenue	5.3	7 221 831	5 130 485
Total revenue		230 412 082	219 736 270
Expense			
	5.4		
Staff and other personnel costs		107 856 288	105 616 408
Transfers and grants to counterparts		74 536 016	61 676 308
Contractual services		24 901 282	17 185 877
General operating expenses		14 682 755	14 087 766
Travel		7 809 773	6 149 310
Equipment, vehicles and furniture		443 240	659 234
Depreciation		543 944	610 740
Finance costs		2 961 344	3 341 700
Total expense		233 734 642	209 327 343
Total surplus/(deficit) for the year		(3 322 560)	10 408 927

The statement of significant accounting policies and the accompanying notes form part of the financial statements.

Statement III

Statement of Changes in Net Assets/Equity

All sources of funds for the year ended 31 December 2019

(in US dollars)

	Notes	31 December 2019	2019 Movements	2019 Adjustments	31 December 2018
Net assets/reserves	4.14				
Operating Reserve Fund	4.15	35 000 000			35 000 000
Equity in capital assets		4 458 270			4 458 270
Loan adjustments		3 958 676	613 333		3 345 343
Total Equity in capital assets		8 416 946	613 333	-	7 803 613
Common Fund					
Depreciation on property, plant and equipment		(7 244 552)	(543 944)		(6 700 608)
Revaluation reserve		(6 535 783)	(1 136 682)		(5 399 101)
Total Common Fund		(13 780 335)	(1 680 626)	-	(12 099 709)
Non-restricted funds					
UBRAF Core unrestricted		104 119 627	5 366 237	(430 000)	99 183 390
Restricted funds					
UBRAF Supplementary restricted		27 689 271	(7 845 776)		35 535 047
Extra-budgetary funds		17 871 729	(77 382)		17 949 111
Total Restricted		45 561 000	(7 923 158)	-	53 484 158
Other Funds					
Building Renovation Fund	4.16	5 923 004	119 877	430 000	5 373 127
Staff Benefits Fund					
Terminal Payments		9 633 824	3 033 096		6 600 728
Staff Health Insurance		(10 076 490)	(3 691 709)	24 127 814	(30 512 595)
Special Fund for Compensation		(1 663 006)	(107 257)	(989 604)	(566 145)
Total Staff Benefits Fund		(2 105 672)	(765 870)	23 138 210	(24 478 012)
Non-payroll staff entitlements Fund		2 969 138	947 647		2 021 491
Net assets/equity		186 103 708	(3 322 560)	23 138 210	166 288 058

The statement of significant accounting policies and the accompanying notes form part of the financial statements.

Statement IV
Statement of Cash Flow
All sources of funds for the year ended 31 December 2019
(in US dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Surplus/(deficit) for the year	(3 322 560)	10 408 927
Depreciation	543 944	610 740
Net unrealized foreign exchange losses on revaluation	1 136 682	2 642 849
(Increase)/decrease in accounts receivables - current	(25 087 844)	16 855 649
(Increase)/decrease in accounts receivables - non-current	(7 588 378)	13 974 194
(Increase)/decrease in staff receivables	281 525	(477 517)
(Increase)/decrease in prepayments	(78 916)	(85 901)
(Increase)/decrease in other current receivables	(180 824)	(33 841)
Increase/(decrease) in accounts payables	(2 040 887)	(3 548 618)
Increase/(decrease) in staff payables	77 483	62 042
Increase/(decrease) in accrued staff benefits - current	(127 959)	(415 961)
Increase/(decrease) in deferred revenue - current	19 095 210	(10 969 979)
Increase/(decrease) in deferred revenue - non-current	7 588 378	(13 974 194)
Increase/(decrease) in accrued staff benefits - non-current	(18 841 676)	(21 323 020)
Direct adjustments to net assets/equity	23 138 210	27 017 714
<i>Net cash flow from operating activities</i>	<u>(5 407 612)</u>	<u>20 743 084</u>
Cash flows from investing activities		
Additions to property and equipment	(250 019)	(72 011)
Proceeds from disposals of property and equipment	19 415	
<i>Net cash flow from investing activities</i>	<u>(230 604)</u>	<u>(72 011)</u>
Cash flows from financing activities		
Increase/(decrease) in long-term borrowings - current	7 457	(5 576)
Increase/(decrease) in long-term borrowings -non-current	1 157 693	(757 247)
<i>Net cash flow from financing activities</i>	<u>1 165 150</u>	<u>(762 823)</u>
Net Increase/(decrease) in cash and cash equivalents	<u>(4 473 066)</u>	<u>19 908 250</u>
Net unrealized foreign exchange losses on revaluation	(1 136 682)	(2 642 849)
Cash and cash equivalents at beginning of year	<u>162 792 418</u>	<u>145 527 017</u>
Cash and cash equivalents at end of year	<u>157 182 670</u>	<u>162 792 418</u>

The statement of significant accounting policies and the accompanying notes form part of the financial statements.

Statement V

**Statement of Comparison of Budget and Actual Amount
2018-2019 Unified Budget, Results and Accountability Framework
for the period ended 31 December 2019**

(in US dollars)

	2018-2019 Approved core budget	Expense 2018	Expense 2019	Expense 2018-2019	Balance	Percentage implementation
	(a)	(b)	(c)	(d) = (b + c)	(e) = (a-d)	(f) = (d / a)
I. Result Areas						
1	HIV testing and treatment	24 348 543	12 085 366	12 263 177	24 348 543	- 100.0%
2	Elimination of Mother To Child Transmission	7 316 035	3 894 198	3 421 837	7 316 035	- 100.0%
3	HIV prevention among young people	15 072 486	7 186 417	7 886 069	15 072 486	- 100.0%
4	HIV prevention among key populations	14 498 654	7 185 444	7 313 210	14 498 654	- 100.0%
5	Gender inequality and GBV	9 322 433	4 736 539	4 585 894	9 322 433	- 100.0%
6	Human rights, stigma and discrimination	7 420 471	3 760 099	3 660 372	7 420 471	- 100.0%
7	Investment and efficiency	4 131 506	2 103 996	2 027 510	4 131 506	- 100.0%
8	HIV and health services integration	5 889 872	3 047 941	2 841 931	5 889 872	- 100.0%
Total Cosponsors		88 000 000	44 000 000	44 000 000	88 000 000	- 100.0%
II. Core Functions						
1	Leadership, advocacy and communication	67 661 000	31 248 875	32 566 753	63 815 628	3 845 372 94.3%
2	Partnerships, mobilization and innovation	60 158 000	27 259 179	28 243 942	55 503 121	4 654 879 92.3%
3	Strategic information	31 775 000	13 551 591	14 735 262	28 286 853	3 488 147 89.0%
4	Coordination, convening & country implementation support	64 844 000	29 329 522	31 440 235	60 769 757	4 074 243 93.7%
5	Governance and mutual accountability	55 562 000	26 743 517	26 695 284	53 438 801	2 123 199 96.2%
Total Secretariat		280 000 000	128 132 684	133 681 476	261 814 160	18 185 840 93.5%
Grand Total		368 000 000	172 132 684	177 681 476	349 814 160	18 185 840 95.1%

Basis differences

Capitalization of assets	(72 011)	(230 604)
Loan repayment	(605 876)	(613 333)

Total basis differences (677 887) (843 937)

Timing differences

Expenses incurred in prior period against all funds	3 789 629	-
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Entity differences

Expenses under other funds	34 082 917	56 897 103
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Total expense as per the Statement of Financial Performance (Statement II) 209 327 343 233 734 642

The statement of significant accounting policies and the accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF OBJECTIVES

The Joint United Nations Programme on HIV/AIDS (UNAIDS) was established through the Economic and Social Council (ECOSOC) resolution 1994/24 of 26 July 1994 to “undertake a joint and co-sponsored United Nations Programme on HIV/AIDS on the basis of co-ownership, collaborative planning and execution, and an equitable sharing of responsibility”. UNAIDS currently consists of eleven United Nations organizations referred to as Cosponsors.²

The Programme is headed by an Executive Director, appointed by the UN Secretary-General upon the recommendation of the Cosponsors, who reports to the Programme Coordinating Board which serves as the governing board of the Programme.

The objectives of UNAIDS, are contained in the Memorandum of Understanding among Cosponsors establishing UNAIDS and in the Economic and Social Council of the United Nations (ECOSOC) resolutions 1994/24 and 1995/2.

The objectives of UNAIDS were further refined and updated in UNAIDS new vision and mission statement which were endorsed by the UNAIDS Programme Coordinating Board at its 26th meeting held in Geneva, from 22-24 June 2010. These are:

- **Uniting efforts** of the UN, civil society, governments, the private sector, global institutions and people living with and most affected by HIV;
- **Speaking out in solidarity** with the people most affected by HIV in defence of human dignity, human rights and gender equality;
- **Mobilizing resources** (political, technical, scientific and financial) and holding ourselves and others accountable for results;
- **Empowering agents of change** with strategic information and evidence to influence and ensuring that resources are targeted where they deliver the greatest impact;
- **Supporting inclusive country leadership** for sustainable responses that are integral to and integrated with national health and development efforts.

2. BASIS OF PREPARATION AND PRESENTATION

The accounts of UNAIDS are maintained in accordance with the Financial Regulations and Financial Rules of WHO, which provides administration in support of UNAIDS as per ECOSOC resolution 1994/24, and Article XI of the Memorandum of Understanding among Cosponsors establishing UNAIDS. The accounting policies and financial reporting practices applied by UNAIDS are therefore based upon the WHO Financial Regulations and Financial Rules.

The financial statements have been prepared on an accrual and going concern basis and in accordance with the requirements of International Public Sector Accounting Standards (IPSAS) using the historical cost convention. Where an IPSAS Standard is silent concerning any specific standard, the appropriate International Financial Reporting Standard (IFRS) has been applied.

² When UNAIDS was established in 1994 the Joint Programme consisted of six UN system organizations: UNDP, UNICEF, UNFPA, WHO, UNESCO and the World Bank. Since that time, a further five UN agencies, namely UNODC, ILO, WFP, UNHCR and UN Women, have become UNAIDS Cosponsors.

Financial period

The Programme's financial period for budgetary purposes is a biennium consisting of two consecutive years. The financial statements are prepared annually.

Functional currency and translation of foreign currencies

The functional and reporting currency of the Programme is United States dollar.

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

Assets and liabilities in currencies other than United States dollars are translated into United States dollars at the prevailing United Nations Operational Rates of Exchange year-end closing rate. Resulting gains or losses are accounted for in the Statement of Financial Performance.

Materiality and the use of judgements and estimates

Materiality is central for the preparation of UNAIDS financial statements. The process for reviewing accounting materiality provides a systematic approach to the identification, analysis, evaluation, endorsement and periodic review of decisions taken involving the materiality of information spread over numerous areas of accounting.

The financial statements include amounts based on judgement, estimates and assumptions by the management. Changes in estimates are reflected in the period they become known. Estimates include, but are not limited to, defined benefit medical insurance and other post-employment benefit obligations (the value of which is calculated by an independent actuary); financial risk on accounts receivable accrued charges and the degree of impairment of fixed assets. Actual results could differ from these estimates.

Financial Statements

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

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

The accounting policies set out below have been consistently applied in the preparation of the financial statements throughout the period.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents held by WHO on behalf of UNAIDS

Cash and cash equivalents held by WHO include cash on hand, deposits in transit, cash in bank and balances held by WHO on behalf of UNAIDS. These balances are held centrally by WHO and invested on behalf of UNAIDS in accordance with WHO's rules and practices. UNAIDS has adopted the disclosure notes of WHO to reflect the accounting policies for investments.

Financial instruments are recognized when WHO/UNAIDS becomes a party to the contractual provisions of the instrument until such time when the rights to receive cash flows from those assets have expired or have been transferred and WHO/UNAIDS has substantially transferred all the risks and rewards of ownership. Investments can be classified as financial assets or financial liabilities at fair value through surplus or deficit, held-to-maturity, available for sale and bank deposits and other receivables. All purchases and sales of investments are recognized on the basis of their trade date.

Financial assets or financial liabilities at fair value through surplus or deficit are financial instruments that meet either of the following conditions: (i) they are held for trading; or (ii) they are designated by the entity upon initial recognition at fair value through surplus or deficit. Financial instruments that belong to this category are measured at fair value and any gains and losses arising from changes in the fair value are accounted for through surplus or deficit and included within the Statement of Financial Performance of WHO/UNAIDS in the period in which they arise. All derivative instruments, such as swaps, currency forward contracts and options are classified as held for trading except for designate and effective hedging instruments defined under IPSAS 29. Financial assets in the externally managed portfolios designated upon initial recognition as at fair value through surplus or deficit, are classified as current assets or non-current assets according to the time horizon of the investment objectives of each portfolio. If the time horizon is less than or equal to one year, they are classified as current assets.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that WHO has both the intention and ability to hold to maturity. Held-to-maturity investments are stated at amortized cost using the effective interest rate method, with interest revenue being recognized on an effective yield basis in the Statement of Financial Performance.

Available-for-sale investments are classified as being available-for-sale where WHO has not designated them either as held for trading or as held-to-maturity. Available-for-sale items are stated at fair value (including transaction costs that are directly attributable to the acquisition of the financial asset) with value changes recognized in net assets/equity. Impairment charges and interest calculated using the effective interest rate method are recognized in the Statement of Financial Performance of WHO. As at 31 December 2019, no available-for-sale financial assets were held by WHO.

Bank deposits and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accrued revenue related to interest and dividend and pending cash to be received from investments to settle are included herein. Bank deposits and receivables are stated at amortized cost calculated using the effective interest rate method, less any impairment. Interest revenue is recognized on the effective interest rate basis, with the exception of short-term receivables for which the recognition of interest would be immaterial. The interest accrued is held globally by WHO which includes UNAIDS portion attributable due to the share in the portion of bank deposits held by WHO on UNAIDS behalf.

3.2 Accounts receivable

Accounts receivable are recorded at their estimated net realizable value after providing for allowances for non-recovery and after careful review of the outstanding receivable. Current receivables are for amounts due within twelve months of the reporting date, while non-current receivables are due more than twelve months from the reporting date of the financial statements.

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

3.3 Inventories

UNAIDS inventory only comprises of publications on handheld for distribution, free of cost, and has no value.

3.4 Prepayments

Prepayments relate to amounts paid to suppliers for goods and services not yet received. Advances are made to UNDP to cover payments made on behalf of UNAIDS in accordance with the “Working Arrangement between the United Nations Development Programme (UNDP) and the Joint United Nations Programme on HIV/AIDS (UNAIDS) covering the provision of administrative support services by UNDP” signed in April 1996 and updated in June 2008. In addition advances to UNAIDS Cosponsors could be made to enable them to carry out their mandates under the UNAIDS 2016-2021 Unified Budget, Results and Accountability Framework when necessary.

3.5 Property, plant and equipment (PP&E)

Property, plant and equipment (PP&E) with a value of US\$ 5 000 and above are recognized as non-current assets in the Statement of Financial Position. They are initially recognized at cost, unless acquired through a non-exchange transaction, in which case they are recognized at fair value at the date of acquisition. PP&E is stated at historical costs less accumulated depreciation and impairment. Heritage assets have not been valued and are not considered in the financial statements.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of Financial Performance. Impairment reviews are undertaken for all PP&E annually and all losses are recognized in the Statement of Financial Performance. Impairment indicators also include the obsolescence and deterioration of PP&E.

Depreciation is calculated on a straight-line basis over the asset’s useful life except for land, which is not subject to depreciation. Property, plant and equipment are reviewed annually for impairment to ensure that the carrying amount is still considered to be recoverable. The estimated useful lives of the asset classes that make up property, plant and equipment are provided in the table below.

Asset Class	Estimated Useful Life (in years)
Land	N/A
Buildings - Permanent	60
Buildings - Mobile	5
Fixtures and fittings	5
Vehicles and transport	5
Office equipment	3
Communications equipment	3
Audio Visual equipment	3
Computer equipment	3
Network equipment	3
Security equipment	3
Other equipment	3

Improvements are capitalized over the remaining life of the asset when the improvement results in an increase in the useful life of the asset or adds usable space. The residual value of the asset and the cost of the improvement will be amortized over the adjusted useful life (remaining life). Normal repair and maintenance costs are expensed in the year when the costs are incurred.

3.6 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment. UNAIDS only recognizes intangible assets if the useful life of the asset is more than one year and the value is above US\$ 100 000. Intangible assets are amortized over their estimated useful lives using the straight-line method. The estimated useful life of 'software acquired externally' is between two to six years.

Intangible assets are assumed to have a residual value of zero as intangible assets are not sold or transferred at the end of their useful life. Intangible assets are reviewed annually for impairment.

3.7 Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. UNAIDS reviews all leases on an annual basis to determine whether these constitute a finance or operating lease.

3.8 Contributions received in advance

Contributions received in advance arise from legally binding agreements between UNAIDS and its donors whereby the funds are received in advance of the amounts concerned falling due to the Organization.

3.9 Accounts payable and accrued liabilities

Accounts payable are liabilities for goods and services received by the Programme but which have not yet been paid for. Accrued liabilities are liabilities where goods and services have been received by the Programme but have not been paid and for which an invoice for payment to be made has not yet been received. Accounts payable and accrued liabilities are recognized at cost due to the discounting being considered not to be material.

3.10 Employee benefits

UNAIDS recognizes the following categories of employee benefits:

- short-term employee benefits which fall due wholly within 12 months after the end of the accounting period in which employees render the related service;
- post-employment benefits;
- other long-term employee benefits; and
- termination benefits

3.10a Short-term employee benefits

Liabilities are established for short-term employee benefits including items such as wages, salaries and social security contributions, paid annual leave and paid sick leave, and non-monetary benefits (such as medical care) for current employees. Actuarial assumptions and valuations have been used to measure accumulated annual leave. In addition, liabilities are

established for the value of accumulated leave, deferred home leave and overtime earned but unpaid at the reporting date and for education grants payable at the reporting date that have not been included in current expenditure.

3.10b Post-employment benefits

Post-employment benefits include pension plans, post-employment medical care and post-employment insurance. Also included are benefits to which eligible staff members are entitled on termination of their contracts and include repatriation grants, repatriation removal and repatriation travel. Post-employment benefits under defined benefit plans are measured at the present value of the defined benefit obligation (DBO) adjusted for unrecognized actuarial gains and losses and unrecognized past service costs.

United Nations Joint Staff Pension Fund

UNAIDS is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to staff. The Pension Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization 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 participating organizations to actuarial risks associated with the current and former staff of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. UNAIDS and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify UNAIDS's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence UNAIDS has treated this plan as if it was a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). UNAIDS contributions to the plan during the financial period are recognized as expenses in the Statement of Financial Performance.

3.11 Borrowing costs

UNAIDS has taken an interest free loan from the Swiss Government and Canton de Genève jointly with WHO for the construction of the UNAIDS/WHO building in Geneva. There are no borrowing costs associated with this loan. Borrowings are currently stated at amortized cost; any difference between the proceeds and the redemption value is recognized in the Statement of Financial Performance over the period of the borrowings using the effective interest method. As the loan received by UNAIDS is an interest-free loan, the benefit to UNAIDS of this arrangement has been treated as an in-kind contribution.

3.12 Deferred revenue

Deferred revenue is recognized when legally binding agreements between the Programme and its donors, (including governments, international organizations and private and public institutions) are confirmed and the funds are earmarked and due in the future periods. Deferred revenue which is due after one year from the reporting date has been classified as non-current.

3.13 Provisions and contingent liabilities

Provisions are recognized for future liabilities and charges where UNAIDS has a present legal or constructive obligation as a result of past events and it is probable that the Programme will be required to settle the obligation. Provisions are recorded as expense in the Statement of Financial Performance and a corresponding liability is established in the Statement of Financial Position when the occurrence of the obligation for settlement has been ascertained and can reasonably be estimated.

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

3.14 Contingent assets

Contingent assets will be disclosed when an event gives rise to a probable inflow of economic benefits or service potential and there is sufficient information to assess the probability of the inflow of economic benefits or service potential.

3.15 Revenue recognition

Voluntary contributions - UNAIDS receives only voluntary contributions. Voluntary contributions are recorded on an accrual basis. Voluntary contributions which are supported by formal funding agreements signed by both parties are recognized as revenue at the time the agreement becomes binding and when control over the underlying asset is obtained. Where there are no payment terms specified by the contributor or payment terms are in the current accounting year, revenue is recognized immediately.

Agreements which are subject to conditions such as performance and/or receipt of funds are conditional on a certain future date, such agreements are established recognizing a receivable and a corresponding deferred revenue as a liability. Revenue is recognized when the condition is discharged.

Contributions in-kind and in-service - Contributions of goods or services in-kind or in-service are recorded in the period in which the contribution was received by UNAIDS. They are recognized and reflected as revenue and expense under the non-core funds at the best estimate of fair value.

3.16 Expense recognition

UNAIDS recognizes expense at the point when goods have been delivered or services rendered and not when cash or its equivalent is paid.

3.17 Segment reporting-fund accounting

Fund accounting is a method of segregating resources into categories, (i.e. funds) to identify both the source and use of funds. Establishment of such funds helps ensure better reporting of revenue and expenses along with a distinguishable group of activities for achieving its objectives and making decisions for future allocation of resources. The five types of funds for UNAIDS are core Unified Budget, Results and Accountability Framework funds, supplementary Unified Budget, Results and Accountability Framework funds, extra-budgetary funds, common fund and staff benefits and other funds. Any transfers between funds that would result in duplication of revenue and/or expense (including Programme Support Costs) are eliminated during consolidation. UNAIDS' assets and liabilities are not allocated to individual funds since ownership rests with the Programme, however, the balances against the respective funds and working capital reserve are recognized.

3.18 Statement of cash flow

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

3.19 Budget comparison

The Unified Budget, Results and Accountability Framework continues to be prepared on a modified cash basis and is presented in the financial statements as Statement V, Statement of Comparison of Budget and Actual Amounts. The Programme Coordinating Board provides approval of the Unified Budget, Results and Accountability Framework and the UNAIDS financial statements encompass all activities of the Programme.

As stipulated in IPSAS 24, the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing, presentation and entity differences. There may also be differences in formats and classification schemes adopted for the presentation of financial statements and the budget. As the bases used to prepare the budget and financial statements differ, and in order to facilitate a comparison between the budget and the financial statements, reconciliation between the actual amounts presented in Statement V to the actual amounts presented in Statement II and Statement IV are included in the notes to the financial statements.

4. SUPPORTING INFORMATION TO THE STATEMENT OF FINANCIAL POSITION

4.1 Cash and cash equivalents held by WHO on behalf of UNAIDS

Cash and cash equivalents held by WHO include cash on hand, imprest bank account balances, petty cash, cash deposits in transit and balances held by WHO on behalf of UNAIDS. Cash and cash equivalents are held for meeting short-term cash commitments rather than for investment or other purposes. The balance also reflects cash and cash equivalents held in the portfolios managed by investment managers.

The cash and cash equivalents held on behalf of UNAIDS stood at US\$ 157 182 670 as at 31 December 2019 (US\$ 162 792 418 as at 31 December 2018).

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Cash on hand and at bank (imprest accounts)	125 780	97 776
Cash held on behalf of UNAIDS by WHO	<u>157 056 890</u>	<u>162 694 642</u>
Total cash and cash equivalents held by WHO	<u>157 182 670</u>	<u>162 792 418</u>

Investments

Details of significant accounting policies and methods adopted criteria for recognition and de-recognition, basis of measurement and basis on which gains, and losses are recognized are set out in the Accounting Policies.

The main objectives for investments are the preservation of capital, the maintenance of sufficient liquidity to meet all payments of liabilities on time and the optimization of income return. The Investment Policy reflects the nature of funds, which may be held for the short-term, pending programme implementation, or for the longer term in order to meet liabilities under the other long-term funds of the Organization.

Short-term investments, are funds related to pending programme implementation, which are invested in cash and high-quality, short-term, government, agency, corporate bonds and time deposits as defined in the approved Investment Policy. Investments included within 'financial assets at fair value through surplus and deficit' include fixed income securities and derivatives instruments held to cover projected liabilities and unexpected cash requirements. Financial assets in the externally managed portfolios designated upon initial recognition as at fair value through surplus or deficit are classified as short-term investments where the investment time horizon objective of these portfolios is less than or equal to a year. For short-term tactical investment reasons, the external managers of these portfolios may from time to time decide to lengthen temporarily the average duration of these portfolios to slightly longer than one year. This will not change the short-term classification of these financial assets unless the investment time horizon objective of the portfolio and the duration of its benchmark have been changed to more than one year. The investments in the 'held-to-maturity' portfolio with a duration of less than one year are classified as current assets in the category 'financial assets at amortized costs'.

Long-term investments are for funds managed under the Terminal Payments Account as defined in the approved Investment Policy and are invested in high-quality, medium-dated and long-dated, government, agency and corporate bonds. The financial assets at fair value through surplus or deficit upon initial recognition in the Terminal Payments Fund investment portfolio are classified as long-term investments in accordance with the investment time horizon objective of the portfolio and the duration of its benchmark which are both greater than one year.

Risk exposure

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

Credit risk

UNAIDS shares similar credit risks to those of WHO and makes full disclosures with respect to the same. The WHO's investments are widely diversified in order to limit its credit risk exposure to any individual investment counterparty. Investments are placed with a wide range of counterparties using minimum credit quality limits and maximum exposure limits by counterparty (and by groups of related counterparties) established in investment mandates. These limits are applied both to the portfolios managed internally by the WHO Treasury Unit, and also to the portfolios managed by external investment managers. The WHO Treasury Unit monitors the total exposure to counterparties across all internally and externally managed portfolios to ensure that total counterparty exposure across portfolios are tracked and managed.

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

Interest rate risk

UNAIDS is exposed to interest rate risk through short-term and long-term fixed income investments. The investment duration is a measure of sensitivity to changes in market interest

rates, and the effective average duration of WHO's investment as at 31 December 2019 was 1 year for short-term investments and 7 years for the long-term investments. An increase of 1 % in the interest rate would cause a decrease of 1% in the value of the short-term investments (excluding bank deposits) and a decrease of 7% in the value of the long-term investments. The interest rates on short-term bank deposits are fixed at the time of investment; their values are not affected by any subsequent movement in interest rates.

Fixed income derivatives may be used by external investment managers to manage interest rate risk under strict investment guidelines. Typically, the interest rate instruments are used for portfolio duration management and strategic interest rate positioning.

Foreign exchange currency risk

UNAIDS receives voluntary contributions and makes payments in currencies other than US dollars and it is exposed to foreign exchange currency risk arising from fluctuations in the currency exchange rates. Exchange gains and losses on the purchase and sale of currencies, revaluation of cash book balances and all other exchange differences are adjusted against the funds and accounts eligible to receive interest under the interest apportionment programme. Translation into US dollars of transactions expressed in other currencies is performed at the United Nations Operational Rates of Exchange prevailing at the date of transaction. Assets and liabilities that are denominated in foreign currencies are translated at the United Nations Operational Rates of Exchange year end closing rate. Forward foreign exchange contracts are transacted to hedge foreign currency exposures and to manage short-term cash flows. Realized and unrealized gains and losses resulting from settlement and revaluation of foreign currency transactions are recognized in the Statement of Financial Performance (Statement II).

Hedging foreign exchange exposures on future payroll costs

The value of non-dollar (i.e. Swiss Franc) payroll expenditures in 2020 has been protected from the impact of movements in foreign exchange rates against the US dollar. Protection has been affected through the transaction of forward currency contracts during 2019. As at 31 December 2019 the forward foreign currency exchange hedging contracts were CHF 17.3 million. Unrealized net gain on these contracts amounted to US\$ 0.2 million as at 31 December 2019 (US\$ 0.2 million net losses as at 31 December 2018). Realized gains or losses on these contracts will be recorded on maturity of the contracts and applied during 2020.

Hedging foreign exchange exposures on receivables and payables

Currency exchange risk arises as a result of differences in the exchange rates at which foreign currency receivables or payables are recorded, and the exchange rates at which the cash receipt or payment is subsequently recorded. A monthly programme of currency hedging is in place to protect against this foreign currency risk. On a monthly basis the exposures in respect of accounts receivable and accounts payable exposures are netted by currency and each significant net foreign currency exposure is bought or sold forward using a forward foreign exchange contract equal and opposite to the net currency exposure.

These exposures are re-balanced at each month end to coincide with the settings of the monthly United Nations Operational Rates of Exchange. Through this process the exchange gains or losses realized on the forward foreign currency contracts match the corresponding unrealized exchange losses and gains on the movements in the net accounts receivable and accounts payable. As at 31 December 2019 the total forward foreign currency hedging contracts by currency for UNAIDS were as follows:

Currency forward sold	Sum amount sold	Sum amount bought	Net unrealized gain/(loss)
		(US dollars)	(US dollars)
Australian dollar	13 500 000	9 420 692	(75 168)
Euro	4 500 000	5 030 960	(28 457)
Pounds Sterling	7 500 000	9 825 675	(112 117)
Swiss Francs	20 000 000	20 549 493	(169 041)
Total		44 826 820	(384 783)

4.2 Accounts receivable

As at 31 December 2019, US\$ 139.1 million in contributions receivable was outstanding (US\$ 106.5 million as at 31 December 2018). A total of US\$ 67.7 million of this receivable is due to letters of credit outstanding with the Government of the United States of America; and US\$ 53.4 million represents receivables due in future financial periods (broken down between current, 2021 and beyond).

	31 December 2019	31 December 2018
		(in US dollars)
Accounts receivable - current		
Unified Budget, Results and Accountability Framework	89 563 560	64 799 095
Supplementary Funds	26 094 157	26 316 709
Extra-budgetary Funds	3 115 930	2 816 590
Allowance for doubtful debt against Extra-budgetary Funds	-	(246 591)
Total accounts receivable - current	118 773 647	93 685 803
Accounts receivable - non-current		
Unified Budget, Results and Accountability Framework	16 300 410	12 709 339
Supplementary Funds	1 843 787	-
Extra-budgetary Funds	2 153 520	-
Others	56 984	56 984
Total accounts receivable - non current	20 354 701	12 766 323
Total accounts receivable	139 128 348	106 452 126

4.3 Staff receivables

In accordance with WHO's Staff Rules and Regulations, staff members are entitled to certain advances including salary, rent, education grant and travel advances. Advances are recovered periodically from staff salaries through payroll except for education grants which are settled at the end of the scholastic year. International staff members are eligible to receive an advance equal to the estimated amount of education grant for each child at the beginning of the scholastic year and are settled at the end of the scholastic year.

As at 31 December 2019, US\$ 2.1 million in staff receivables was outstanding including salary advances, rental advances, travel advances and education grant advances (US\$ 2.4 million as at 31 December 2018). The education grant advances represent the advances made to staff members for the scholastic year 2019-2020.

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Staff receivables		
Salary advances	39 158	36 427
Rental advances	197 035	317 898
Education Grant advances	1 735 671	1 758 615
Travel advances	6 450	9 099
Expected Sick Leave Insurance Contribution	123 945	105 703
Other staff receivables	21 166	177 208
Total staff receivables	2 123 425	2 404 950

4.4 Prepayments

The total value of prepayments as at 31 December 2019 was US\$ 0.7 million (US\$ 0.6 million as at 31 December 2018). Out of this amount US\$ 0.2 million represents payments to suppliers in advance of receipt of goods or services which will be charged to expense in 2020. The remaining amount of US\$ 0.5 million relates to advances made to UNDP to cover payments made on behalf of UNAIDS.

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Prepayments		
Advances to UNDP	481 411	344 631
Advances to Suppliers	180 105	237 969
Total prepayments	661 516	582 600

4.5 Other current receivables

As at 31 December 2019, US\$ 0.3 million in other receivables was outstanding (US\$ 0.1 million as at 31 December 2018) representing mainly value added tax (VAT) receivables.

4.6 Inventories

The Secretariat only held publication for distribution with no realizable value. The cost of publications expensed during 2019 amounted to US\$ 19 330.

4.7 Intangibles

The Secretariat has no intangible assets to report.

4.8 Property, plant and equipment (PP&E)

Building

The carrying value of the UNAIDS building at headquarters has been calculated at cost less depreciation. The building was constructed jointly with WHO and ownership is recognized at the 50% value with WHO. The land upon which the building has been constructed was made

available by the Swiss Government at no cost. The value of the land has therefore not been valued and disclosed in the financial statements. The estimated useful life of the building has been determined at 60 years and has been depreciated using the straight-line method.

Plant and equipment

UNAIDS has capitalized all plant and equipment purchased in 2019 with a value of US\$ 5 000 or above.

The assets value purchased during 2019 has been depreciated over the estimated useful life using the straight-line method. Equipment with original cost value totalling US\$ 1.4 million has been fully depreciated and are still in use by the Secretariat.

	Building	Furniture and Fixtures	Vehicles	Communications and IT Equipment	Other Equipment	Total
	(in US dollars)	(in US dollars)	(in US dollars)	(in US dollars)	(in US dollars)	(in US dollars)
Cost or fair value	25 613 445	11 298	1 050 918	331 734	380 300	27 387 695
Accumulated depreciation	(5 122 692)	(11 298)	(896 231)	(317 380)	(347 007)	(6 694 608)
Total carrying cost as at 31 December 2018	20 490 753	-	154 687	14 354	33 293	20 693 087
Movements 1 January to 31 December 2019						
Additions	-	-	218 196	8 305	23 517	250 019
Disposals			(27 090)			(27 090)
Depreciation	(426 891)	-	(83 591)	(7 024)	(18 762)	(536 269)
Total property, plant and equipment	20 063 862	-	262 202	15 635	38 049	20 379 747

4.9 Accounts payable

This represents the total amount outstanding to suppliers for goods and services. The total accounts payable for UNAIDS programme activities as at 31 December 2019 was US\$ 1.9 million (US\$ 3.9 million as at 31 December 2018).

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Accounts payable		
Payables to suppliers	926 773	1 577 664
Non-staff meeting participants payable	15 714	28 550
Accrual of goods and services	924 842	2 302 002
Total - accounts payable	1 867 329	3 908 216

4.10 Staff payable

The total balance for staff payable as at 31 December 2019 was US\$ 0.2 million (US\$ 0.2 million as at 31 December 2018). These amounts relate to salaries payable and other staff liabilities.

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Staff payables		
Salaries payable	103 725	101 765
Other staff payables	134 970	59 447
Total - staff payables	238 695	161 212

4.11 Accrued staff benefits

UNAIDS staff benefits liabilities are determined by professional actuaries. The actuarial studies commissioned determined various liabilities to be established to cover different staff benefits in accordance with IPSAS for WHO, UNAIDS and the other non-consolidated entities as at 31 December 2019. The professional actuarial studies were calculated based on personnel data and past payment experience. As per the actuarial studies as at 31 December 2019, the total liability for staff benefits stood at US\$ 138.3 million (out of which US\$ 55.5 million is reflected in our accounts).

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Accrued staff benefits - current		
Terminal Payments	8 282 133	8 402 400
Special fund for compensation	5 085	12 777
Total accrued staff benefits - current	8 287 218	8 415 177
Accrued staff benefits -non-current		
Terminal payments	10 044 714	9 551 273
After-service health insurance	35 209 406	55 645 511
Special fund for compensation	1 935 592	834 604
Total accrued staff benefits - non-current	47 189 712	66 031 388
Accrued staff benefits		
Terminal payments	18 326 847	17 953 673
After-service health insurance	35 209 406	55 645 511
Special fund for compensation	1 940 677	847 381
Total accrued staff benefits	55 476 930	74 446 565

Terminal Payments

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

Liabilities arising from repatriation benefits and annual leave are determined by independent consulting actuaries. However, the accrued leave is calculated on a walk-away basis – that is, as if all staff separated immediately – and, therefore, is not discounted.

The actuarial study as at 31 December 2019 has estimated the total liability for terminal payments (excluding annual leave) to be US\$ 11.2 million (US\$ 10.8 million as at 31 December 2018). This calculation did not include cost of end of service grant and separation by mutual agreement.

The annual leave entitlements stood at US\$ 7.1 million as at 31 December 2019. The liability remained constant when compared to 2018.

After Service Health Insurance

UNAIDS participates in a health insurance scheme which is managed as a separate entity, WHO Staff Health Insurance, and which has its own governance. It provides for the reimbursement of expenses for medically recognized health care incurred by staff members, recognized dependents and retired staff. It is financed from the contributions made by the participants and the Programme.

UNAIDS has recognized staff health insurance liabilities as a Post-Employment Benefit. Actuarial gains and losses are recognized in the net assets / equity in accordance with IPSAS 39 (Employee Benefits).

The defined benefit obligations as at 31 December 2019 determined by professional actuaries based on personnel data and past payments experience provided by WHO stood at US\$ 118.6 million (US\$ 124.3 million as at 31 December 2018) of which US\$ 83.4 million is funded resulting in net unfunded liability of US\$ 35.2 million which is reflected in the Statement of Financial Position (Statement I). Further details on Staff Health Insurance can be found in the Staff Health Insurance Annual Report.

In accordance with IPSAS 39 (Employee Benefits), the actuarial gain of US\$ 24.1 million was transferred directly to net assets / equity in 2019 and an additional accrual of US\$ 3.7 million was charged to staff costs in the Statement of Financial Performance (Statement II).

It should be noted that whilst the ASHI actuarial study reflects an unfunded liability of US\$ 35.2 million as at 31 December 2019, following the Programme Coordinating Board decision at its 30th meeting (held in June 2012) to fully fund the organizational staff-related liabilities from the fund balance, a total of US\$ 25.1 million has so far been attributed towards funding the ASHI liability. Therefore, the unfunded ASHI liability as at 31 December 2019 stood at US\$ 10.1 million (i.e. US\$ 35.2 million as per actuarial study less the funding of US\$ 25.1 million).

Special Fund for Compensation

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

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

As per the actuarial study, the total liability was US\$ 1.9 million at 31 December 2019 (US\$ 0.85 million as at 31 December 2018). In accordance with IPSAS 39, the actuarial loss of US\$ 1 million was transferred directly to net assets / equity in 2019 and an additional accrual of US\$ 0.1 million has been recognized by nature of expenses in the Statement of Financial Performance (Statement I).

Actuarial calculations

Description	After Service Health Insurance	Terminal Payments excluding Accrued Annual Leave	Special Fund for Compensation
	(in US dollars)	(in US dollars)	(in US dollars)
RECONCILIATION OF DEFINED BENEFIT OBLIGATIONS			
Defined Benefit Obligation at 31-Dec-2018	124 334 504	10 792 260	847 381
Service cost for 2019	9 044 372	743 615	76 983
Interest on Defined Benefit Obligation for 2019	3 351 323	416 787	30 274
(Actual Gross Benefit Payments in 2019)	(225 748)	(648 188)	(3 565)
(Actual After Service Admin Expenses in 2019)	(15 257)		
Actual Contributions by After Service Participants in 2019	165 450		
Plan Amendments Adopted during 2019	(659 115)		
(Gain)/Loss on DBO Due to Financial Assumption Changes	20 195 922	908 836	704 172
(Gain)/Loss on DBO Due to Other Assumption Changes	(37 619 734)	(1 010 675)	285 432
Defined Benefit Obligation at 31-Dec-2019	118 571 717	11 202 635	1 940 677
RECONCILIATION OF ASSETS			
Market value of ASHI Assets at 31-12-2018, Gross of IBNP Reserve	70 192 993		
(Actual Total Gross Benefit Payments for 2019)	(3 544 086)	(648 188)	(3 565)
(Actual Total SHI Administrative Expenses in 2019)	(239 520)		
Actual Total SHI Participant Contributions during 2019	3 280 345		
Actual Total Organization Contributions during 2019	6 546 508	648 188	3 565
Interest on Net WHO-Administered SHI Assets for 2019	1 966 677		
Gain/(Loss) on Plan Assets during 2019	6 420 394		
Assets at 31-Dec-2019, for SHI Net of 470.1 Reserve	84 623 311	-	-
RECONCILIATION of Incurred-But-Not-Paid Reserve, Offset to Assets			
Incurred-But-Not-Paid Reserve at 31-12-2018	1,504,000		
Interest On Incurred-but-Not-Paid Reserve for 2019	40,608		
(Gain)/Loss on Incurred-But-Not-Paid Reserve	(283 608)		
Incurred-But-Not-Paid Reserve at 31-12-2019	1,261,000		
Net Assets (Gross Assets Minus Incurred-but-Not-Paid Reserve at 31-12-2019)			
RECONCILIATION OF FUNDED STATUS			
Defined Benefit Obligation (DBO)			
Active	106 776 947	11 202 635	1 940 677
Inactive	11 794 770		
Total DBO	118 571 717	11 202 635	1 940 677
Plan Assets			
(Gross Plan Assets)	(84 623 311)		
Offset for WHO 470.1 Reserve	1 261 000		
(Net Plan Assets)	(83 362 311)	-	
Net (Surplus)/Deficit	35 209 406	11 202 635	1 940 677
Current (Asset)/Liability		1 157 921	5 085
Noncurrent (Asset)/Liability	35 209 406	10 044 714	1 935 592
Unrecognized (Gain)/Loss		(101 839)	989 604
Net (Asset)/Liability Recognized in Statement of Financial Position	35 209 406	11 100 796	2 930 281
(Gain)/Loss on Defined Benefit Obligation	(24 127 814)		
Current (Asset)/Liability		1 157 921	5 085
Non-current (Asset)/Liability	35 209 406	10 044 714	1 935 592
Net (Asset)/Liability Recognized in Statement of Financial Position	35 209 406	11 202 635	1 940 677
Annual Expense for 2019			
Service cost	9 044 372	743 615	76 983
Interest cost	1 425 254	416 787	30 274
Remeasurements		(101 839)	
Past Service (Credit)/Cost	(659 115)		
Expected Accounting Contributions during 2019			
Expected Organization Contributions during 2020			
Contributions by UNAIDS for Active Staff	4 818 000	1 175 161	5 126
Contributions by UNAIDS for Inactives	467 000		
Total Expected Contributions for 2020	5 285 000	1 175 161	5 126
Sensitivity Analysis			
31 December 2019 Defined Benefit Obligation			
Current Medical Inflation Assumption Minus 1%	89 727 185		
Current Medical Inflation Assumption	118 571 717		
Current Medical Inflation Assumption Plus 1%	159 014 688		
Current Discount Rate Assumption Minus 1%	158 961 595	12 155 877	2 534 231
Current Discount Rate Assumption	118 571 717	11 202 635	1 940 677
Current Discount Rate Assumption Plus 1%	90 091 361	10 371 045	1 519 320

Actuarial methods and assumptions

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

Measurement Date

All plans	31 December 2019
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Discount rate

Terminal Payments (other than accrued leave)	The discount rate used is 3% (decrease from 4.1% in the prior valuation). Based on the projected benefit payments with weights of 100% on the Aon AA Above Median Curve outside of Switzerland. The resulting discount rate is rounded to the nearest 0.1%.									
After Service Health Insurance	<p>Europe—1.8% (decrease from 2.7% in prior valuation). The Americas—3.5% (decrease from 4.5% in prior valuation). Other Countries—3.7% (decrease from 4.7% in prior valuation).</p> <p>The discount rates are based on the yields on high grade corporate bonds. The yield curve approach is used to reflect the expected cash flows and assumed currency exposure-specific to ASHL.</p> <p>The liability is assumed to be incurred in Swiss Francs, euros and US dollars, based on approximate liability mix for UNAIDS and the following yield curves:.</p> <p>Switzerland - SIX - Swiss Exchange curve Euro Zone - iBoxx Euro Zone curve United States - Aon Hewitt AA Bond Universe</p> <p>The discount rates for the 31 December 2019 valuation are based on the geographic locations of the UNAIDS offices. The resulting rates which are rounded to the nearest 0.1% are shown in the table below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3">% of Rate for 2019</th> </tr> <tr> <th>Switzerland</th> <th>Euro Zone</th> <th>United States</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">40%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">40%</td> </tr> </tbody> </table>	% of Rate for 2019			Switzerland	Euro Zone	United States	40%	20%	40%
% of Rate for 2019										
Switzerland	Euro Zone	United States								
40%	20%	40%								
Special Fund for Compensation	The discount rate used is 1.6% (decrease from 3.6% in the prior valuation). Based on the combined projected benefit payments with weights of 25% on the Aon AA Above Median curve outside of Switzerland and 15% on the SIX Swiss Exchange yield curve for Switzerland and 60% on iBoxx Euro Zone curve. The resulting discount rate is rounded to the nearest 0.1%.									

Annual General Inflation

Terminal Payments (other than accrued leave)	The weighted-average inflation rate used is 2.2%. The regional weightings used are 100% on United States. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.
After Service Health Insurance	<p>Europe—1.3% (decrease from 1.4% in prior valuation) The Americas and Other Countries—2.2% (no change from prior valuation)</p> <p>The inflation rates are based on a weighted average on the United Nations common assumptions (for long-duration plans) as directed by the United Nations System Task Force on Accounting Standards. Those rates are 1.1% for Switzerland, 1.8% for the Euro Zone and 2.2% for the United States.</p>
Special Fund for Compensation	The weighted-average inflation rate used is 1.8%. The regional weightings used are 15% on Swiss, 60% Euro Zone and 25% on United States rate. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.

Annual Salary Scale

All Plans	Includes merit/promotional increases, plus 3.0% static increases for general inflation, plus productivity growth.
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Actuarial Method

Repatriation Travel and Removal on Repatriation	Calculated using projected unit credit with service prorate, with an attribution period from the "entry on duty date" to separation. Plus 2% increase is applied for incurred but not yet paid benefits (IBNP)
Repatriation Grant, Termination Indemnity, and Grant in Case of Death	Calculated using the projected unit credit method with accrual rate proration. Plus 2% increase is applied for incurred but not yet paid benefits (IBNP)
Accrued Leave	The liability is set equal to the walk-away liability as if all staff separated immediately. Plus 2% increase is applied for incurred but not yet paid benefits (IBNP)
Abolition of Post, End-of-Service Grant, and Separation by Mutual Agreement	These benefits are considered termination benefits under IPSAS 39 and, therefore, excluded from the valuation.
Special Fund for Compensation	Calculated using projected unit credit, with an attribution period from the "entry on duty date" to separation.
After-Service Health Insurance	Liabilities are attributed using the projected unit credit method linearly from the "entry on duty date" to the earlier of the full eligibility date (the latest of age 55, 10 years of service, and five years of continuous service) and retirement date.

United Nations Joint Staff Pension Fund

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

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

The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.

UNAIDS' financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly (7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each

member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

The latest actuarial valuation for the Fund was completed as of 31 December 2017, and the valuation as of 31 December 2019 is currently being performed. A roll forward of the participation data as of 31 December 2017 to 31 December 2018 was used by the Fund for its 2018 financial statements.

The actuarial valuation as of 31 December 2017 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 139.2%. The funded ratio was 102.7% when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2017, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the UNJSPF pension plan, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the UNJSPF during the preceding three years (2016, 2017 and 2018) amounted to USD 7,131.56 million, of which 0.85% was contributed by the Agency.

During 2019, contributions paid to UNJSPF amounted to US\$ 20.6 million (2018 US\$ 19.5 million). Expected contributions due in 2020 are approximately US\$ 21.7 million.

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

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

4.12 Deferred revenue

As at 31 December 2019 deferred revenue amounted to US\$ 53.4 million (US\$ 26.7 million as at 31 December 2018). This represents multi-year pledges made in 2019 for which the revenue recognition has been deferred to future financial periods. Out of this amount, US\$ 20.3 million represents non-current deferred revenue for 2021 and future financial periods.

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Deferred revenue - current		
Unified Budget, Results and Accountability Framework	26 736 920	13 183 273
Supplementary Funds	3 606 457	790 921
Extra-budgetary Funds	2 726 027	-
Total deferred revenue - current	<u>33 069 404</u>	<u>13 974 194</u>
Deferred revenue - non-current		
Unified Budget, Results and Accountability Framework	16 300 410	12 709 339
Supplementary Funds	1 843 787	-
Extra-budgetary Funds	2 153 520	-
Total deferred revenue - non-current	<u>20 297 717</u>	<u>12 709 339</u>
Total deferred revenue	<u>53 367 121</u>	<u>26 683 533</u>

4.13 Long-term borrowings

At its 12th meeting in May 2004, the Programme Coordinating Board endorsed UNAIDS' negotiation of a direct loan with the Swiss Confederation for the construction of a new building in Geneva for UNAIDS and WHO at an estimated cost of CHF 66 million, of which UNAIDS' share was estimated at CHF 33 million. In December 2003, the Swiss Confederation agreed to provide an interest-free loan of CHF 59.8 million, of which UNAIDS' share is CHF 29.9 million. The repayment over a 50-year period of UNAIDS' share of the interest-free loan provided by the Swiss Confederation is made through the reallocation of funds otherwise expended on the rental of office space with effect from the first year of the completion of the building. The building was completed in November 2006. The amount under Buildings includes US\$ 25.6 million which represents the 50% share of UNAIDS' expense incurred on the building up to 31 December 2007.

The Swiss Confederation 30-year bonds rate was -0.16% at December 2019 (0.37% for 2018). Hence, in line with prudent accounting principles the outstanding amount of US\$ 22.7 million for the UNAIDS building loan was not discounted. Of the total amount outstanding on the loan, US\$ 0.6 million will be due in the next 12 months and is shown as a current liability, which is separately disclosed.

4.14 Changes in net assets/equity

For the financial year ended 31 December 2019, the net assets/equity increased by US\$ 19.8 million, out of which US\$ 23.1 million related to actuarial gains under ASHI and SFFC which was transferred directly to net assets/equity in accordance with IPSAS 39 (Employee benefits) and US\$ 3.3 million related to a deficit in 2019 (compared to a surplus of US\$ 10.4 million in 2018).

In line with the Programme Coordinating Board's approval to fund the annual replenishment of the Building Renovation Fund, in 2019 the Executive Director authorized the transfer of a total of US\$ 0.43 million from the fund balance towards the Building Renovation Fund. The Programme Coordinating Board during its 44th meeting held from 25 - 27 June 2019 took note of the Executive Director's decision.

The unfunded staff-related liabilities, stood at US\$ 2.1 million as at 31 December 2019 (US\$ 24.5 million as at 31 December 2018), a net decrease of US\$ 22.4 million. Of this amount, US\$ 0.7 million was due to the movements in the actuarial liabilities of ASHI, Special Fund for

Compensation and Terminal Payments Fund and actuarial gain of US\$ 23.1 million under ASHI and Special Fund for Compensation).

4.15 Operating Reserve Fund

Pending receipt of core contributions, implementation of the Unified Budget, Results and Accountability Framework may be financed from the Operating Reserve Fund (ORF), which was established by the Programme Coordinating Board in June 1996. The rules and procedures guiding the use of the ORF by the Executive Director were decided by the Programme Coordinating Board at its sixth meeting held in Geneva in May 1998.

4.16 Building Renovation Fund

The Building Renovation Fund was established by the Programme Coordinating Board at its 30th meeting in June 2012. This fund has been set up to meet the future costs of major repairs of, alterations to, and investments in, the UNAIDS office building.

5. SUPPORTING INFORMATION TO THE STATEMENT OF FINANCIAL PERFORMANCE

5.1 Statement overview

The Statement of Financial Performance consolidates revenue and expenses for all activities throughout the Programme. The statement segregates operating activities from those arising from financing operations.

5.2 Voluntary contributions

Voluntary contributions to the Programme totalled US\$ 223.2 million (US\$ 214.6 million for 2018). Out of which US\$ 217.2 million from governments; US\$ 3.7 million from UNAIDS Cosponsors; and a net of US\$ 2.3 million from other operating revenue received from intergovernmental organizations, other United Nations Organizations, institutions, as well as the private sector. Included in this figure is an amount of US\$ 2.1 million representing in-service contributions. There has been no revenue received on account of exchange transactions.

	UBRAF Core Funds	Supplementary Funds	Extra budgetary Funds	Total 2019	Total 2018
	(in US dollars)	(in US dollars)	(in US dollars)	(in US dollars)	(in US dollars)
Voluntary contributions					
Governments	179 019 416	32 261 978	5 969 169	217 250 563	205 561 504
Cosponsors	-	3 620 018	68 153	3 688 171	3 688 920
Others	212 956	2 036 561	2 000	2 251 517	5 355 361
Total voluntary contributions	179 232 372	37 918 557	6 039 322	223 190 251	214 605 785

5.3 Finance revenue

The total interest earnings were US\$ 6 million for the financial period ended 31 December 2019; the net realized foreign exchange gains were US\$ 1.1 million and actuarial revaluation gains on the terminal payment fund of US\$ 0.1 million for the same period. This has resulted in a total amount of US\$ 7.2 million as financial revenue as at 31 December 2019 (US\$ 5.1 million as at 31 December 2018). Interest revenue is recognized as it accrues and is allocated by WHO to UNAIDS.

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Finance revenue		
Interest	6 012 495	3 744 768
Net realized foreign exchange gains	1 107 496	979 278
Actuarial revaluation gains on Terminal Payments Funds	101 839	406 438
Total finance revenue	7 221 830	5 130 484

5.4 Expense

UNAIDS recognizes expense at the point when goods have been delivered or services rendered. An encumbrance represents a firm commitment or obligation for goods and services which have not been delivered. Encumbrances are not reported in the Statement of Financial Performance.

5.4.1 Staff and other personnel costs

Staff and other personnel costs represent the total cost of employing staff at all locations, including remuneration of base salary, post adjustment and any other type of entitlements (e.g., pension and insurance) paid by the Programme. Staff costs also include the increase in the SHI actuarial liability which is recognized as expense in the Statement of Financial Performance.

5.4.2 Transfers and grants to counterparts

Transfers and grants to counterparts represent agreements signed with UN entities, non-profit non-governmental organizations and academic institutions to perform activities to help achieve specific objectives of the UNAIDS Secretariat and transfers to UNAIDS Cosponsors for their share of the Unified Budget, Results and Accountability Framework for 2016-2019.

5.4.3 Contractual services

Contractual services represent expenses for service providers. The main components are Agreements for Performance of Work (APWs), consulting contracts given to individuals to perform activities on behalf of the Programme.

5.4.4 General operating expenses

General operating expenses represent expenses related to general operations in support of headquarters, regional and country offices. This includes costs such as utilities, telecommunications and rent.

5.4.5 Travel

Travel of staff, meeting participants and consultants paid by UNAIDS are included in the total travel costs. Travel expenses include airfare, per diem and other travel related costs.

5.4.6 Equipment vehicles and furniture

Equipment, vehicles and furniture are charged as expense at the point of delivery. PP&E purchased during 2019 have been recognized and capitalized in accordance with IPSAS 17.

5.4.7 Depreciation

Depreciation has been charged on property, plant and equipment (PP&E) using the straight-line method. Depreciation is the expense resulting from the systematic allocation of the amounts on the PP&E over their useful lives. The useful life of the building has been estimated at 60 years. The useful lives of furniture and vehicles have been estimated at 5 years and equipment has been estimated at 3 years.

5.4.8 Finance costs

These include realized exchange losses on hedging and exchange and also includes actuarial interest cost related to valuation of Terminal Payments and Special Fund for Compensation. Net unrealized foreign exchange losses on revaluation of the accounts receivables and Swiss loan adjustments amounted to US\$ 1.1 million.

Finance Costs	31 December 2019 (in US dollars)	31 December 2018 (in US dollars)
Bank charges and investment management fees	2 671	1 654
Net realized foreign exchange losses	7 813	53 051
Net unrealized foreign exchange losses on revaluation	1 136 682	2 642 849
Realised foreign exchange losses on balance sheet hedging	1 367 117	262 695
Actuarial interest cost related to valuation of Terminal Payments Fund and Special Fund for Compensation	447 061	381 451
Total finance costs	2 961 344	3 341 700

6. SEGMENT REPORTING

Schedule 1
Statement of Financial Performance by Segments
All sources of funds for the year ended 31 December 2019
(in US dollars)

	UBRAF Core Funds	Non-Core Funds								Sub-total non-core funds	TOTAL
		Supplementary Funds	Extra-budgetary Funds	Terminal Payments	Non-payroll Entitlements	Special Fund for Compensation	Staff Health Insurance	Common Fund	Eliminations		
Revenue											
Governments	179 019 416	32 261 978	5 969 169							38 231 147	217 250 583
Cosponsoring organizations		3 620 018	68 153							3 688 171	3 688 171
Others	212 956	2 036 561	2 000							2 038 561	2 251 517
Finance revenue	4 938 290			2 163 664						119 877	2 283 541
Total	184 170 662	37 918 557	6 039 322	2 163 664	-	-	-	119 877	-	46 241 420	230 412 082
Programme Support Costs			3 248 694						(3 248 694)	-	-
Payroll transfers to accrual funds				2 324 570	7 968 527				(10 293 097)	-	-
Total revenue	184 170 662	37 918 557	9 288 016	4 488 234	7 968 527	-	-	119,877	(13 541 791)	46 241 420	230 412 082
Expense											
Staff and other personnel costs	101 584 709	3 436 576	2 141 243	779 009	6 439 156	76 983	3 691 709		(10 293 097)	6 271 579	107 856 288
Transfers and grants to counterparts	48 050 372	20 640 098	5 845 546							26 485 644	74 536 016
Contractual services	8 373 379	15 363 842	599 799		564 262					16 527 903	24 901 282
General operating expenses	13 291 455	811 498	371 164	208 638						1 391 300	14 682 755
Travel	5 372 390	2 270 710	99 476	49 735	17 462					2 437 383	7 809 773
Equipment, vehicles and furniture	755 488	301 085							(613 333)	(312 248)	443 240
Programme Support Costs		2 940 524	308 170						(3 248 694)	-	-
Depreciation								543 944		543 944	543 944
Finance costs	1 376 632			417 756		30 274		1 136 682		1 584 712	2 961 344
Total expense	178 804 425	45 764 333	9 365 398	1 455 138	7 020 880	107 257	3 691 709	1 067 293	(13 541 791)	54 930 217	233 734 642
Total Surplus/(Deficit) by fund	5 366 237	(7 845 776)	(77 382)	3 033 096	947 647	(107 257)	(3 691 709)	(947 416)	-	(8 688 797)	(3 322 560)

7. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

UNAIDS Programme Budget is established on a modified cash basis and is approved by the Programme Coordinating Board.

UNAIDS' budget and financial accounts are prepared using two different accounting basis. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flow are prepared on a full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a modified cash basis.

As required by IPSAS 24, reconciliation has been provided between the actual amounts on a comparable basis as presented in Statement V and the actual amounts in the financial accounts identifying separately any basis, timing, presentation and entity differences.

Basis differences - occur when the approved budget is prepared on a basis other than the full accrual accounting basis. Basis differences include the depreciation and capitalization of assets and repayment of the principal on the outstanding loan from the Swiss Confederation.

Timing differences - occur when the budget period differs from the reporting period reflected in the financial statements.

Presentation differences - are due to differences in the format and classification schemes adapted for presentation of Statement of Cash Flow and Statement of Comparison of Budget and Actual Amounts.

Entity differences - include expenses under non-core funds, which are financed from other sources and are not included in the Unified Budget Results and Accountability Framework approved by the Programme Coordinating Board.

Reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance (Statement II) and Statement of Cash Flow (Statement IV) for the year ended 31 December 2019 are presented below.

Reconciliation of Budget Utilization (Statement V) with Statement of Cash Flow (Statement IV) as at 31 December 2019

	2019			
	Operating	Investing	Financing	Total
	(in US dollars)	(in US dollars)	(in US dollars)	(in US dollars)
Actual amount on budget implementation (Statement V)	(177 681 476)			(177 681 476)
Basis Difference	(613 333)	(230 604)	1 165 150	321 213
Presentation Difference	115 990 094			115 990 094
Entity Difference	56 897 103			56 897 103
Actual Amount in Statement of Cash Flow (Statement IV)	(5 407 612)	(230 604)	1 165 150	(4 473 066)

8. ADMINISTRATIVE WAIVERS, AMOUNTS WRITTEN OFF AND, EX-GRATIA PAYMENTS

During the financial year ended 31 December 2019, there were no administrative waivers, amounts written off or ex-gratia payments.

9. RELATED PARTY AND SENIOR MANAGEMENT DISCLOSURE

Key management personnel of UNAIDS consists of all staff members graded at the D1 level and above as they have the authority and responsibility for planning, directing and controlling the activities of UNAIDS.

The aggregate remuneration paid to key management personnel includes salaries, allowances, statutory travel and other entitlements paid in accordance with the Staff Rules and Regulations and applicable to all staff.

Key management personnel are members of the UN Joint Staff Pension Fund (UNJSPF) to which the personnel and UNAIDS contribute and are also eligible for participation in the Staff Health Insurance scheme including the after service medical insurance scheme if they meet the eligibility requirements.

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

Key Management Personnel

(in US dollars)

Number of individuals	28
Compensation and post adjustment	5 459 594
Entitlements	777 261
Pension and Health Plans	1 612 707
Total remuneration 2019	7 849 562
Outstanding advances against entitlements	174 137
Outstanding loans (in addition to normal entitlements if any)	-

10. EVENTS AFTER THE REPORTING DATE

The Programme's reporting date is 31 December 2019. On the date of the certifying of these accounts, no material events, favorable or unfavorable, occurred between the balance sheet date and the date when the financial statements have been authorized for issue that would have impacted these statements.

11. CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS

Contingent Liabilities

As at 31 December 2019, eleven outstanding appeals were pending before the WHO Global Board of Appeal (GBA) in respect of UNAIDS staff. The respective recommendations from the GBA for decision by the UNAIDS Executive Director are expected during 2020. Furthermore, six outstanding personnel matters (complaints) were pending with the ILO Administrative Tribunal as at the above-referenced date. The Secretariat has no material unrecognized contractual commitments.

Operating leases

The Secretariat enters into operating lease arrangements for the use of country, regional and liaison offices premises. Some of the operating lease agreements contain renewal clauses which enable the Secretariat to extend the terms of the leases at the end of the original lease terms and escalation clauses that may increase annual rent payments based on increases in the relevant market price indexes in the respective countries where country, regional and liaison offices are located. Future minimum lease rental payments for the following periods are:

	31 December 2019	31 December 2018
	(in US dollars)	(in US dollars)
Operating leases		
Within one year	3 033 499	3 780 448
Later than one year but not later than five years	4 542 815	4 181 731
Later than five years	388 549	103 528
Total operating leases	7 964 863	8 065 707

Commitments

As at 31 December 2019, UNAIDS had commitments for the acquisition of good and services contracted but not yet delivered totalling US\$ 6.7 million.

Commitments are not recognized as expense in the statement of financial performance (Statement II) on the basis of IPSAS 1, and on the basis of the delivery principle.

Contingent Assets

In accordance with IPSAS 19, contingent assets will be disclosed for cases where an event will give rise to a probable inflow of economic benefits. As at 31 December 2019, there were no material contingent assets to disclose.

Schedule 2

**Unified Budget, Results and Accountability Framework - details of revenue
for the year ended 31 December 2019**

(in US dollars)

Voluntary contributions	Funds made available towards year 2019 of the Unified Budget, Results and Accountability Framework
Governments	
Andorra	32 823
Australia	3 184 713
Belgium	3 529 412
Belgium Flanders	837 054
Canada	3 810 379
China	250 000
Denmark	5 860 806
France	455 063
Germany	5 944 393
Ireland	2 625 821
Japan	600 000
Kazakhstan	50 000
Luxembourg	5 038 214
Monaco	167 728
Netherlands	22 101 633
New Zealand	669 344
Norway	16 344 553
Poland	77 363
Portugal	112 740
Russian Federation	500 000
Sweden	32 814 296
Switzerland	10 080 645
Thailand	100 000
United Kingdom of Great Britain & Northern Ireland	18 832 436
United States of America	45 000 000
Sub-total	179 019 416
Other	
Miscellaneous	212 956
Sub-total	212 956
Total operating revenue	179 232 372
Finance revenue	4 938 290
TOTAL	184 170 662

Schedule 3

**Supplementary - details of revenue
for the year ended 31 December 2019**

(US dollars)

Voluntary contributions	Funds made available towards Supplementary funds 2019
Governments	
China	750 000
Germany	444 444
Ireland	603 857
Japan	250 000
Netherlands	440 330
Russian Federation	3 577 176
Switzerland	10 562
United States of America (CDC)	1 040 811
United States of America (USAID)	25 144 798
Sub-total Governments	32 261 978
Cosponsoring Organizations	
WHO	190 640
UNDP	112 628
UNFPA	3 048 844
UNHCR	50 287
UNICEF	187 619
UN Women	30 000
Sub-total Cosponsors	3 620 018
Other	
Bill and Melinda Gates Foundation	678 293
Children's Investment Fund Foundation (CIFF)	189 129
China Social Assistance Foundation (CSAF)	67 538
Estee Lauder (Vietnam) LLC	43 100
iNova Pharmaceuticals	10 000
MPTF Office	1 002 719
The Elizabeth Taylor Foundation	31 688
UNCERF	149 650
UNOPS	700 091
Miscellaneous	32 740
Refund to donors	(480 533)
Adjustments	(387 854)
Sub-total	2 036 561
TOTAL	37 918 557

Schedule 4

Extra-budgetary funds - details of revenue
for the year ended 31 December 2019
(US dollars)

Voluntary contributions	Funds made available towards Extra-budgetary funds 31 December 2019		
	In Cash	In- Kind and In-service	Total
Governments			
Denmark		133 820	133 820
Finland		153 180	153 180
France		116 198	116 198
Germany		306 360	306 360
Italy		72 881	72 881
Luxembourg		170 680	170 680
Netherlands		334 258	334 258
Russian Federation	3 917 347		3 917 347
Sweden		321 005	321 005
Switzerland		153 180	153 180
United States of America (CDC)		290 260	290 260
Canton de Genève, Switzerland			
Sub-total	3 917 347	2 051 822	5 969 169
Cosponsoring Organizations			
UNDP	68 153		68 153
Sub-total	68 153	-	68 153
Other			
Miscellaneous	2 000		2 000
Sub-total	2 000	-	2 000
TOTAL	3 987 500	2 051 822	6 039 322

PART IV : MANAGEMENT INFORMATION

I. Funds made available for the financial period ended 31 December 2019

During the period under review, revenue totalling US\$ 184.2 million was made available towards the UBRAF. Twenty-five governments contributed 97.3% of this amount. The remaining 2.7% was made up of financial revenue (primarily interest earnings) received and apportioned during the reporting period as well as miscellaneous income, including funds received from private contributors and public institutions other than governments, as well as miscellaneous donations and honoraria. Schedule 2 on page 55 provides the details of this revenue.

Furthermore, non-core resources amounting to US\$ 44 million were made available to UNAIDS to provide support to a number of global, regional and country activities that are designated for specific countries or purposes. Details on the sources of these funds are detailed in Schedules 3 and 4 on pages 56 and 57.

II. Funds expended for the financial period ended 31 December 2019

The total expense for the financial period ended 31 December 2019 against the UBRAF for 2018–2019 amounted to US\$ 177.7 million and expenses against the non-core funds amounted to US\$ 55.1 million (excluding encumbrances).

A. Unified Budget, Results and Accountability Framework

During the year ended 31 December 2019, expense and encumbrance (including transfers to Cosponsors) totalling US\$ 181.5 million were incurred against the core budget of US\$ 184 million approved for the 2018–2019 UBRAF, which corresponded to a financial implementation of 98.6%.

The total expense and encumbrance for the implementation of the activities contained in the Unified Budget, Results and Accountability Framework were distributed as follows:

- US\$ 44 million was transferred to the Cosponsors and
- US\$ 177.7 million was expended and US\$ 3.8 million encumbered for Secretariat activities and staff costs.

Total UBRAF core expenses and encumbrances for 2018-2019 amounted to US\$ 353.6 million representing a financial implementation of 91.6% (US\$172.1 million expended in 2018 and US\$ 177.7 million expended and US\$ 3.8 million encumbered in 2019). Table 4 provides details on the 2018–2019 UBRAF approved core budget, expense and encumbrances, broken down by result area, and the Secretariat core functions for the biennium 2018–2019.

Table 4
2018–2019 Unified Budget, Results and Accountability Framework approved core budget, expense and encumbrances for the period ended 31 December 2019
(in US dollars)

	2018-2019 Approved core budget	Expense 2018	Expense 2019	Encumbrances ^{a/}	Total	Balance	Percentage implementation	
	(a)	(b)	(c)	(d)	(e) = (b + c + d)	(f) = (a - e)	(g) = (e / a)	
I. Result Areas								
1	HIV testing and treatment	24 348 543	12 085 366	12 263 177		24 348 543	100.0%	
2	Elimination of Mother To Child Transmission	7 316 035	3 894 198	3 421 837		7 316 035	100.0%	
3	HIV prevention among young people	15 072 486	7 186 417	7 886 069		15 072 486	100.0%	
4	HIV prevention among key populations	14 498 654	7 185 444	7 313 210		14 498 654	100.0%	
5	Gender inequality and GBV	9 322 433	4 736 539	4 585 894		9 322 433	100.0%	
6	Human rights, stigma and discrimination	7 420 471	3 760 099	3 660 372		7 420 471	100.0%	
7	Investment and efficiency	4 131 506	2 103 996	2 027 510		4 131 506	100.0%	
8	HIV and health services integration	5 889 872	3 047 941	2 841 931		5 889 872	100.0%	
Total Cosponsors		88 000 000	44 000 000	44 000 000	-	88 000 000	-	100%
II. Core Functions								
1	Leadership, advocacy and communication	67 661 000	31 248 875	32 566 753	716 007	64 531 635	3 129 365	95.4%
2	Partnerships, mobilization and innovation	60 158 000	27 259 179	28 243 942	844 148	56 347 269	3 810 731	93.7%
3	Strategic information	31 775 000	13 551 591	14 735 262	924 056	29 210 909	2 564 091	91.9%
4	Coordination, convening & country implementation support	64 844 000	29 329 522	31 440 235	634 946	61 404 703	3 439 297	94.7%
5	Governance and mutual accountability	55 562 000	26 743 517	26 695 284	686 808	54 125 609	1 436 391	97.4%
Total Secretariat		280 000 000	128 132 684	133 681 476	3 805 965	265 620 125	14 379 875	94.9%
Grand Total		368 000 000	172 132 684	177 681 476	3 805 965	353 620 125	14 379 875	96.1%

^{a/} Encumbrances representing firm commitment for good and/or services which have not yet been delivered

i) Funds transferred to Cosponsors

In 2019, a total amount of US\$ 44 million has been transferred to the Cosponsors. This represents 100% of the Cosponsors' share for year 2019 of the 2018-2019 biennium core budget. US\$ 2 million has been transferred to each of the eleven Cosponsors to cover their core activities and a further US\$ 22 million has been transferred to Cosponsors at country level in the form of country envelopes.

The country envelope funding modality was first introduced in the 2018-2019 biennium following the approval of the refined UNAIDS Joint Programme operating model by the Programme Coordinating Board (PCB) at its 40th meeting in June 2017.

This new approach serves three overarching objectives: to deploy human and financial resources where they are needed most; to reinvigorate country-level joint work and collaborative action; and to reinforce accountability and results for people.

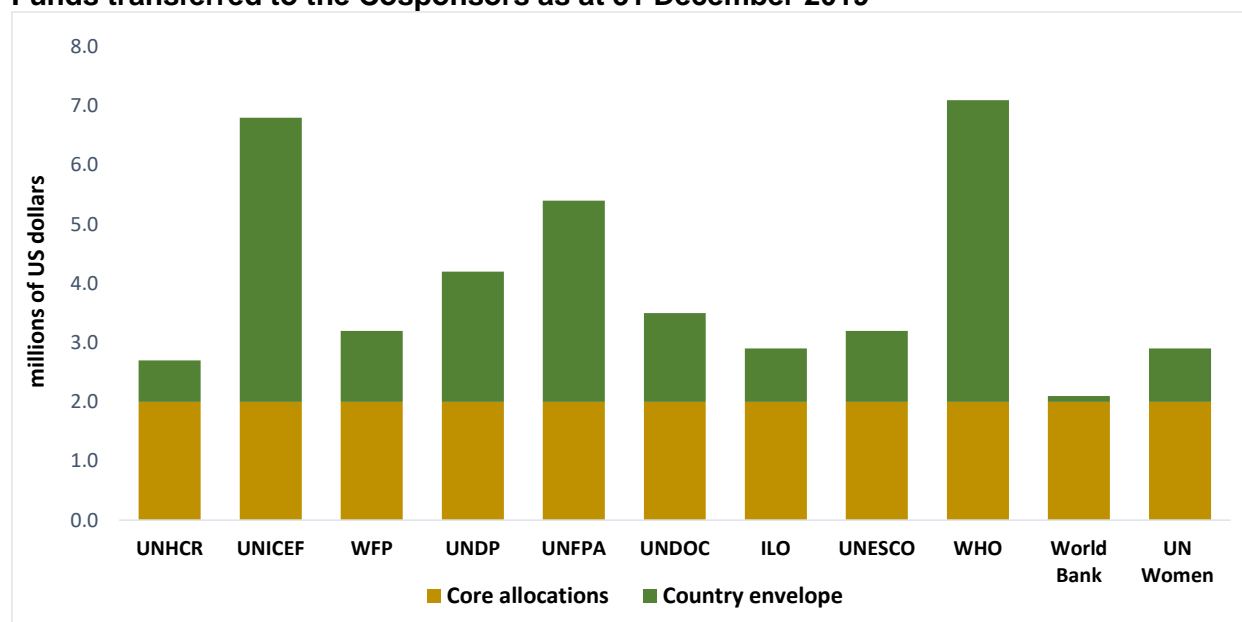
The country envelopes were established for seventy-one countries through a process which entailed engagement of the Cosponsor at all levels to reach consensus on the formula,

process, deliverables and allocations. (Table 8 on pages 66 to 67 provides details of funds transferred to Cosponsors at country level).

Figure 3 illustrates the new, dynamic and differentiated resource allocation model and provides information on the proportion of funds transferred to each individual Cosponsor).

Figure 3

Funds transferred to the Cosponsors as at 31 December 2019



ii) Funds expended and encumbered against the Secretariat budget

During the year ended on 31 December 2019, a total amount of US\$ 133.7 million was expended and US\$ 3.8 million encumbered for Secretariat activities and staff costs against the Secretariat 2019 core budget of US\$ 140 million which together represent a financial implementation rate of 98% of the Secretariat part of the 2019 core budget.

Total Secretariat core expenses and encumbrances for 2018-2019 biennium amounted to US\$ 265.6 million representing a financial implementation of 95% (US\$128.1 million expended in 2018 and US\$ 133.7 million expended in 2019 and US\$ 3.8 million encumbered in 2019). Table 4 provides details on the 2018–2019 UBRAF approved core budget, expense and encumbrances, broken down by result area, and the Secretariat core functions for the biennium 2018–2019.

B. Expense incurred against the non-core funds

During the year ended 31 December 2019, a total amount of US\$ 55.1 million was expended by the Secretariat against non-core funds (US\$ 45.8 million was expended against supplemental funds and US\$ 9.4 million was expended against extra-budgetary funds). In addition to the above, US\$ 2.3 million and US\$ 0.5 million was encumbered against supplemental and extra-budgetary funds, respectively, as indicated in Table 5 and Table 6 on pages 62 and 63.

C. Country and regional expense against all sources of funds

As recommended by the PCB at its 22nd meeting, held in Chiang Mai, Thailand from 23–25 April 2008, the report in Table 7 on pages 64 to 65 presents a breakdown of expense and encumbrances of the Secretariat by country and region for both the UBRAF and non-core funds. Country and regional expense amounted to US\$ 92.7 million for the financial period ended 31 December 2019. In addition to the above expense, a total of US\$ 3.5 million was

encumbered during the same period, which together totalled US\$ 96.2 million for the financial period ended 31 December 2019.

Table 5
Supplementary Funds
Funds available, expense and encumbrance by source of revenue
For the year ended 31 December 2019 (in US dollars)

Source of revenue	2018 carry-over	Funds made available in 2019	Total available funds	Expense	Encumbrance ^{a/}	Total	Percentage implementation
	(a)	(b)	(c) = (a+b)	(d)	(e)	(f) = (d + e)	(g) = (f / c)
<i>Voluntary contributions and other revenue</i>							
Australia	934 388		934 388	565 562	121 284	686 846	73.5%
China	2 206 086	750 000	2 956 086	171 467		171 467	5.8%
Germany		444 444	444 444	440 044		440 044	99.0%
Italy	356 080		356 080	233 527	18 154	251 681	70.7%
Ireland	227 273	603 857	831 130	128 230	65 355	193 585	23.3%
Japan	144 605	250 000	394 605	278 356	22 280	300 636	76.2%
Netherlands	114 407	440 330	554 737	22 408	500	22 908	4.1%
Russian Federation	405 578	3 577 176	3 982 754	3 103 104	253 891	3 356 995	84.3%
Sweden	151 244		151 244			0	0.0%
Switzerland	130 309	10 562	140 871	51 853	907	52 760	37.5%
United States of America (CDC)	2 437 667	1 040 811	3 478 478	1 568 176	50 551	1 618 727	46.5%
United States of America (USAID)	18 405 043	25 144 798	43 549 841	31 206 866	1 030 774	32 237 640	74.0%
Asian Development Bank	552 189		552 189	323 937	37 154	361 091	65.4%
Bill & Melinda Gates Foundation	2 244 235	678 293	2 922 528	1 201 413	83 139	1 284 552	44.0%
Children's Investment Fund Foundation (CIFF)	384 074	189 129	573 203	410 290	20 187	430 477	75.1%
China Social Assistance Foundation (CSAF)	44 231	67 538	111 769	103 301	711	104 012	93.1%
Ford Foundation	200 365		200 365	99 872	25 060	124 932	62.4%
Global Fund	427 516		427 516	399 999	20 000	419 999	98.2%
MDTF Office	1 387 681	1 002 719	2 390 400	771 463	179 450	950 913	39.8%
M.A.C. AIDS Fund	1 401 413		1 401 413	520 620		520 620	37.1%
OFID	138 076		138 076	4 107		4 107	3.0%
WHO	-	190 640	190 640	121 541	61 558	183 099	96.0%
WFP	498 000		498 000			0	0.0%
UNDP	182 505	112 628	295 133	249 177		249 177	84.4%
UNHCR	9 424	50 287	59 711	43 532	5 753	49 285	82.5%
UNICEF	53 898	187 619	241 517	88 907	8 285	97 192	40.2%
UNFPA	1 651 855	3 048 844	4 700 699	2 570 678	554 192	3 124 870	66.5%
UN Women		30 000	30 000	29 917		29 917	99.7%
UNCERF		149 650	149 650	118 289	25 192	143 481	95.9%
UNOPS	278 154	700 091	978 245	501 539	22 609	524 148	53.6%
UNDESA	325 981		325 981	159 677	40 077	199 754	61.3%
Miscellaneous	245 336	84 788	330 124	276 481	49 261	325 742	98.7%
Refund to donors		(480 533)	(480 533)				
Total	35 535 047	37 918 557	73 453 604	45 764 333	2 696 324	48 460 657	66.0%

^{a/} Encumbrance equals a firm commitment for goods and/or services which have not yet been delivered.

Table 6
Extra-budgetary funds
Funds available, expense and encumbrance summary by source of revenue
for the year ended 31 December 2019
(in US dollars)

Source of revenue	2018 carry-over	Funds made available in 2019	Total available funds	Expense	Encumbrance ^{a/}	Total	Percentage implementation
	(a)	(b)	(c) = (a+b)	(d)	(e)	(f) = (d + e)	(g) = (f / c)
Voluntary contributions and other revenue							
Belgium	179 354		179 354			0	0.0%
Denmark		133 820	133 820	133 820		133 820	100.0%
Finland		153 180	153 180	153 180		153 180	100.0%
France		116 198	116 198	116 198		116 198	100.0%
Germany	218 601	306 360	524 961	306 360		306 360	58.4%
Italy		72 881	72 881	72 881		72 881	100.0%
Japan	300 000		300 000			-	0.0%
Luxembourg	27 341	170 680	198 021	170 680		170 680	86.2%
Netherlands	379 910	334 258	714 168	334 258		334 258	46.8%
Norway	294 945		294 945			-	0.0%
Russian Federation	105 691	3 917 347	4 023 038	3 883 855		3 883 855	96.5%
Sweden		321 005	321 005	321 005		321 005	100.0%
Switzerland		153 180	153 180	153 180		153 180	100.0%
United States of America (CDC)	99 341	290 260	389 601	290 260		290 260	74.5%
United States of America (USAID)	964 927		964 927	674 999	69 444	744 443	77.2%
European Commission	203 761		203 761			-	0.0%
MDTF Office	4 479		4 479	1 201		1 201	26.8%
UNDP	218 539	68 153	286 692			-	0.0%
UNWTO ST-EP Foundation	25 000		25 000			-	0.0%
WHO	528 927		528 927			-	0.0%
Miscellaneous and other	4 615 440	2 000	4 617 440			-	0.0%
Programme support costs and other	9 782 855	3 248 694	13 031 549	2 753 521	18 436	2 771 957	21.3%
Total	17 949 111	9 288 016	27 237 127	9 365 398	87 880	9 453 278	34.7%

a/ Encumbrance equals a firm commitment for goods and/or services which have not yet been delivered.

Table 7
**Country and Regional expense and encumbrance against all sources of funds
for the financial year ended 31 December 2019**
(in US dollars)

Region	Countries	Unified Budget, Results and Accountability Framework			Non-core Funds			Total		
		Expense	Encumbrance ^{a/}	Total	Expense	Encumbrance ^{a/}	Total	Expense	Encumbrance ^{a/}	Total
Asia and Pacific	Regional Support Team, Asia and Pacific	4 113 368	110 387	4 223 755	780 605	166 467	947 071	4 893 972	276 854	5 170 826
	Bangladesh	174 799	11 739	186 538	16 258	3 843	20 101	191 057	15 583	206 639
	Bhutan	5 500		5 500				5 500		5 500
	Cambodia	592 077	3 123	595 200				592 077	3 123	595 200
	China	1 086 609	24 708	1 111 318	134 439	711	135 150	1 221 049	25 419	1 246 468
	Fiji	187 374	9 452	196 826				187 374	9 452	196 826
	India	905 669	56 206	961 875	314 343	316	314 659	1 220 013	56 522	1 276 534
	Indonesia	764 729	30 474	795 203	470 809	28 455	499 264	1 235 538	58 929	1 294 467
	Lao People's Democratic Republic	108 506	8 357	116 862				108 506	8 357	116 862
	Myanmar	604 118	12 194	616 311	8 565 769	155 531	8 721 300	9 169 886	167 725	9 337 611
	Nepal	190 960	3 652	194 613				190 960	3 652	194 613
	Pakistan	705 908	16 441	722 349	69 935	6 149	76 083	775 843	22 590	798 432
	Papua New Guinea	684 164	24 827	708 991				684 164	24 827	708 991
	Philippines	320 617	17 299	337 916	7 360	1 840	9 200	327 977	19 139	347 116
	Thailand	424 313	15 260	439 573				424 313	15 260	439 573
Viet Nam	561 892	5 649	567 541				561 892	5 649	567 541	
Total Asia and Pacific		11 430 602	349 769	11 780 371	10 359 518	363 311	10 722 829	21 790 120	713 080	22 503 200
East and South Africa	Regional Support Team, East and South Africa	2 741 042	62 704	2 803 746	1 615 151	247 069	1 862 220	4 356 193	309 773	4 665 966
	Angola	1 141 044	32 487	1 173 532				1 141 044	32 487	1 173 532
	Botswana	616 441	11 554	627 994	215 973		215 973	832 413	11 554	843 967
	Eritrea	75 846	2 571	78 417				75 846	2 571	78 417
	Ethiopia	1 146 731	28 637	1 175 368	216 543	18 154	234 697	1 363 274	46 791	1 410 065
	Kenya	1 522 775	78 005	1 600 780	259 505	30 450	289 955	1 782 281	108 455	1 890 736
	Lesotho	725 716	1 566	727 282	120 474	25 794	146 269	846 190	27 360	873 550
	Madagascar (covering Seychelles, Comores, Mauritius)	429 780	5 408	435 187				429 780	5 408	435 187
	Malawi	837 852	9 182	847 034	307 765	81 871	389 636	1 145 617	91 053	1 236 670
	Mozambique	966 886	54 795	1 021 681	380 171	43 721	423 892	1 347 056	98 516	1 445 573
	Namibia	743 394	16 510	759 904	82 478	9 154	91 632	825 871	25 664	851 536
	Rwanda	588 567	22 997	611 563	60 522	14 068	74 590	649 088	37 065	686 153
	South Africa	2 259 561	26 516	2 286 077	1 099 441	11 612	1 111 053	3 359 002	38 128	3 397 130
	South Sudan	988 977	4 520	993 497	16 565	549	17 113	1 005 542	5 069	1 010 611
	Swaziland	742 988	41 322	784 311				742 988	41 322	784 311
	Tanzania, United Republic of	1 774 499	18 512	1 793 011	458 796	67 521	526 317	2 233 294	86 034	2 319 328
	Uganda	1 111 525	21 087	1 132 612	1 016 369	260 831	1 277 200	2 127 893	281 918	2 409 811
	Zambia	1 267 882	(27 924)	1 239 958	429 526	65 113	494 639	1 697 408	37 189	1 734 597
Zimbabwe	1 337 845	13 862	1 351 707	168 467	30 383	198 850	1 506 312	44 245	1 550 557	
Total East and South Africa		21 019 350	424 312	21 443 662	6 447 744	906 291	7 354 035	27 467 094	1 330 603	28 797 697
Europe	Regional Support Team, Europe	2 022 745	20 388	2 043 133	6 569 610	253 891	6 823 501	8 592 354	274 279	8 866 633
	Belarus	108 303	189	108 492	23 013		23 013	131 315	189	131 505
	Kazakhstan	671 261	1 178	672 439				671 261	1 178	672 439
	Kyrgyzstan	97 995	1 380	99 375	23 476		23 476	121 470	1 380	122 851
	Moldova, Republic of	82 985	158	83 143	36 674	1 611	38 284	119 659	1 768	121 427
	Tajikistan	61 895		61 895	15 741		15 741	77 636		77 636
	Ukraine	862 259	9 090	871 349	50 264		50 264	912 523	9 090	921 613
Total Europe		3 907 442	32 383	3 939 825	6 718 777	255 502	6 974 279	10 626 219	287 885	10 914 104

^{a/} Encumbrance equals a firm commitment for goods and/or services which have not yet been delivered.

Table 7 continued

Region	Countries	Unified Budget, Results and Accountability Framework			Non-core Funds			Total		
		Expense	Encumbrance ^{a/}	Total	Expense	Encumbrance ^{a/}	Total	Expense	Encumbrance ^{a/}	Total
Latin America and Caribbean	Regional Support Team, Latin America and Caribbean	2 049 857	61 203	2 111 060	67 034	24 641	91 675	2 116 891	85 844	2 202 735
	Argentina	676 310	3 489	679 799				676 310	3 489	679 799
	Brazil	564 021	3 508	567 530	258 248	10 580	268 828	822 269	14 088	836 358
	Dominican Republic	393 147	8 836	401 983	212 042	39 528	251 570	605 190	48 363	653 553
	El Salvador	144 983	3 437	148 420	900		900	145 883	3 437	149 320
	Guatemala	641 902	9 764	651 666				641 902	9 764	651 666
	Guyana	417 321	17 689	435 010				417 321	17 689	435 010
	Haiti	807 433	16 484	823 917	104 725	63 617	168 342	912 158	80 101	992 259
	Honduras	23 445	2 174	25 619				23 445	2 174	25 619
	Jamaica	1 498 957	11 432	1 510 389	36 745	46 708	83 454	1 535 702	58 140	1 593 842
	Peru	585 875	9 927	595 801	26 064	2 200	28 264	611 939	12 127	624 066
Venezuela	258 953	276	259 228	80 000	20 000	100 000	338 953	20 276	359 228	
Total Latin America and Caribbean		8 062 203	148 218	8 210 421	785 760	207 273	993 033	8 847 963	355 492	9 203 455
Middle East & North Africa	Regional Support Team, Middle East and North Africa	1 028 970	54 662	1 083 632	189 013	4 422	193 435	1 217 983	59 084	1 277 068
	Algeria	207 386	9 197	216 583				207 386	9 197	216 583
	Djibouti	207 925	2 962	210 887	2 727		2 727	210 652	2 962	213 614
	Egypt	117 248	4 398	121 646	20 118	500	20 619	137 367	4 898	142 265
	Iran	437 197	7 292	444 489	34 247	4 442	38 689	471 444	11 733	483 178
	Morocco	524 801	4 566	529 367				524 801	4 566	529 367
	Sudan	268 655	4 102	272 757	1 380		1 380	270 035	4 102	274 137
	Tunisia	70 398	11 940	82 337				70 398	11 940	82 337
Total Middle East and North Africa		2 862 580	99 119	2 961 699	247 486	9 364	256 850	3 110 066	108 483	3 218 549
West and Central Africa	Regional Support Team, West and Central Africa	3 772 535	93 405	3 865 940	170 680		170 680	3 943 215	93 405	4 036 620
	Benin	545 931	32 085	578 015	159 753	16 161	175 914	705 683	48 246	753 929
	Burkina Faso	681 887	28 164	710 051				681 887	28 164	710 051
	Burundi	472 599	25 134	497 733				472 599	25 134	497 733
	Cameroon	1 028 056	15 943	1 043 999	86 614		86 614	1 114 670	15 943	1 130 613
	Central African Republic	1 095 418	20 664	1 116 082	14 349		14 349	1 109 767	20 664	1 130 431
	Chad	637 334	25 206	662 540				637 334	25 206	662 540
	Congo	490 462	11 263	501 724				490 462	11 263	501 724
	Côte d'Ivoire	858 304	31 652	889 955	219 871	15 759	235 629	1 078 174	47 410	1 125 585
	Democratic Republic of Congo	1 898 500	95 329	1 993 829	163 590	21 070	184 660	2 062 090	116 399	2 178 489
	Equatorial Guinea	307 624	6 842	314 466				307 624	6 842	314 466
	Gabon	543 273	11 698	554 971				543 273	11 698	554 971
	Gambia	115 136	1 198	116 335				115 136	1 198	116 335
	Ghana	823 142	44 122	867 264				823 142	44 122	867 264
	Guinea	506 618	6 435	513 053				506 618	6 435	513 053
	Liberia	438 481	8 301	446 782				438 481	8 301	446 782
	Mali	915 058	6 711	921 769	52 175		52 175	967 233	6 711	973 944
	Mauritania	180 724	5 977	186 700				180 724	5 977	186 700
	Niger	593 117	11 364	604 481				593 117	11 364	604 481
	Nigeria	2 632 488	124 866	2 757 353	39 899	8 893	48 792	2 672 386	133 759	2 806 145
Senegal	233 197	4 854	238 051	116 198		116 198	349 395	4 854	354 249	
Sierra Leone	491 523	12 127	503 650				491 523	12 127	503 650	
Togo	576 817	17 741	594 557	4 652		4 652	581 468	17 741	599 209	
Total West & Central Africa		19 838 222	641 079	20 479 301	1 027 779	61 883	1 089 662	20 866 001	702 962	21 568 963
Grand Total		67 120 398	1 694 881	68 815 279	25 587 064	1 803 624	27 390 688	92 707 462	3 498 505	96 205 967

^{a/} Encumbrance equals a firm commitment for goods and/or services which have not yet been delivered.

Table 8
2019 Country Envelopes: Details of funds transferred to Cosponsors at country level
(in US dollars)

Region	Country	UNHCR	UNICEF	WFP	UNDP	UNFPA	UNODC	ILO	UNESCO	WHO	World Bank	UN Women	Total
Asia and Pacific	Bangladesh		50 000			50 000				50 000			150 000
	China				63 500			61 000	57 500	54 500		63 500	300 000
	India		240 000		120 900	121 000	150 000	79 000	100 000	189 100			1 000 000
	Indonesia		60 500			63 700	99 800	60 000		123 800		92 200	500 000
	Malaysia	50 000			50 000					50 000			150 000
	Myanmar		30 000	140 000		50 000	20 000		30 000	30 000			300 000
	Pakistan	30 000			45 000		80 000		20 000	125 000			300 000
	Papua New Guinea		75 000			25 000				75 000		25 000	200 000
	Philippines		90 000			100 000	100 000	80 000		180 000			550 000
	Thailand		50 000			50 000					50 000		150 000
Viet Nam		32 000					63 000		120 000		85 000	300 000	
Total Asia and Pacific		80 000	627 500	140 000	429 400	409 700	492 800	200 000	207 500	997 400	50 000	265 700	3 900 000
Europe	Belarus		47 700		21 300	41 600				39 400			150 000
	Kazakhstan		62 000		11 000		62 000		15 000				150 000
	Kyrgyzstan		36 000		21 000	40 000	29 000		24 000				150 000
	Moldova		50 000		30 000	46 000				24 000			150 000
	Tajikistan		65 000			10 000	37 000			38 000			150 000
	Ukraine		57 000		58 600	43 100	56 700	40 100		44 500			300 000
	Uzbekistan		50 000					100 000					150 000
Total Europe		0	367 700	0	141 900	180 700	284 700	40 100	39 000	145 900	0	0	1 200 000
East and South Africa	Angola	30 000	50 000		60 000	45 000				115 000			300 000
	Botswana		110 000			85 000		30 000		35 000	30 000	10 000	300 000
	Ethiopia	72 000		30 000		20 000	56 000		20 000	172 000		30 000	400 000
	Kenya	26 400	71 700	71 700	71 700	71 700	71 700	71 700	71 700	71 700			600 000
	Lesotho		88 200	30 000	32 600	55 100			36 900	57 200			300 000
	Madagascar		60 000	16 000	44 000	40 000		12 000	08 000	40 000			220 000
	Malawi	30 000	75 000	45 000	60 000	75 000	20 000		20 000	60 000		65 000	450 000
	Mozambique		203 300	70 600	261 500	209 900		90 400	50 300	214 000			1 100 000
	Namibia		65 000	30 000	20 000	70 000	50 000		45 000	20 000			300 000
	Rwanda	30 000	72 800	31 300		73 700				72 200			280 000
	South Africa		298 000		49 200	145 300	52 000	30 000	50 400	365 000	60 000	50 100	1 100 000
	South Sudan	30 000	35 000	30 000	15 000	40 000			35 000	115 000			300 000
	eSwatini		150 000			60 000			30 000	60 000			300 000
	Tanzania	30 000	195 000	30 000	40 000	55 000	35 000	110 000	60 000	60 000	20 000	65 000	700 000
Uganda	30 000	98 400	70 000	80 500	90 800		50 000	20 000	80 000		80 300	600 000	
Zambia		125 000			95 000	125 000		80 000	125 000			550 000	
Zimbabwe		65 000	45 000	105 000	50 000		45 000	40 000	50 000		50 000	450 000	
Total East and South Africa		278 400	1 762 400	499 600	839 500	1 281 500	409 700	439 100	567 300	1 712 100	110 000	350 400	8 250 000
Latin America and Caribbean	Argentina				52 000	41 000				87 000			180 000
	Brazil		85 000		115 000	110 000			90 000				400 000
	Colombia				32 100	64 400				72 800		10 700	180 000
	Cuba		39 400			50 000				60 600			150 000
	Dominican Republic		36 000	28 000	22 000	28 000	28 000			28 000			170 000
	Ecuador		50 000			50 000				50 000			150 000
	Guatemala		26 000	18 000		24 000		10 000	19 000	38 000		17 000	152 000
	Haiti		69 600		32 100	58 800			32 100	67 400		40 000	300 000
	Jamaica		50 000		120 000	50 000				30 000		50 000	300 000
	Peru		42 500			51 400			24 000	32 100			150 000
Venezuela	50 300	56 700			52 000				91 000			250 000	
Total Latin America and Caribbean		50 300	455 200	46 000	373 200	579 600	28 000	10 000	165 100	556 900	0	117 700	2 382 000

^(a) In addition to above amount, a total of USD 18,000 was agreed to be transferred to IOM country office of Guatemala in consultation with the UN Country Team

Table 8 continued

Region	Country	UNHCR	UNICEF	WFP	UNDP	UNFPA	UNODC	ILO	UNESCO	WHO	World Bank	UN Women	Total
Middle East and North Africa	Egypt		45 000				60 000			45 000			150 000
	Iran	52 000	21 400			50 800	65 300			110 500			300 000
	Somalia			55 000	40 000	55 000							150 000
	Sudan		33 000		30 000	30 600				106 400			200 000
Total Middle East and North Africa		52 000	99 400	55 000	70 000	136 400	125 300	0	0	261 900	0	0	800 000
West and Central Africa	Benin		40 200	21 700	22 200	23 400				42 500			150 000
	Burkina Faso	20 000	50 000	30 000	26 000	20 000				30 000			176 000
	Burundi		42 000	15 000		32 000				46 000		15 000	150 000
	Cameroon	30 000	100 000	30 000	10 000	20 000		20 000	20 000	100 000		20 000	350 000
	Central African Republic	35 800	62 600	40 300	17 900	44 700				40 300		22 400	264 000
	Chad	20 000	40 000	20 000	20 000	60 000			20 000	120 000			300 000
	Cote d'Ivoire					115 000				185 000			300 000
	Democratic Republic of Congo	35 000	80 000	35 000	35 000	35 000			35 000	35 000		10 000	300 000
	Equatorial Guinea		30 000		20 000	20 000				80 000			150 000
	Gabon		37 500			37 500			37 500	37 500			150 000
	Ghana		60 000		60 000	60 000			60 000	60 000			300 000
	Guinea Conakry		60 000		50 000	65 000				45 000			220 000
	Liberia	20 900	21 400	22 000	22 200	20 500			20 100			22 900	150 000
	Mali		130 000							170 000			300 000
	Niger	35 000	75 000	40 000									150 000
	Nigeria		252 500			202 000	100 600	150 100		344 500		50 300	1 100 000
	Republic of Guinea-Bissau		67 000	30 000		35 000				24 000			156 000
	Republic of the Congo	20 000	35 000	25 000	30 300	35 400				30 300			176 000
	Senegal		45 000				25 000		30 000	50 000			150 000
	Sierra Leone		200 000	108 000									308 000
	Togo		46 500	22 500	38 000	43 000							150 000
Total West and Central Africa		216 700	1 474 700	439 500	351 600	868 500	125 600	170 100	222 600	1 440 100	0	140 600	5 450 000
Grand Total		677 400	4 786 900	1 180 100	2 205 600	3 456 400	1 466 100	859 300	1 201 500	5 114 300	160 000	874 400	21 982 000

^(a) In addition to above amount, a total of USD 18,000 was agreed to be transferred to IOM country office of Guatemala in consultation with the UN Country Team