



United Nations

Financial report and audited financial statements

for the year ended 31 December 2023

and

Report of the Board of Auditors

Volume III

International Trade Centre

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Volume III
International Trade Centre



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Note

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

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Letters of transmittal

Letter dated 31 March 2024 from the Secretary-General addressed to the Chair of the Board of Auditors

In accordance with financial regulation 6.2, I have the honour to transmit the financial statements of the International Trade Centre for the year ended 31 December 2023, which I hereby approve. The financial statements have been completed and certified by the Controller as correct in all material respects.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(Signed) António **Guterres**

**Letter dated 24 July 2024 from the Chair of the Board of Auditors
addressed to the President of the General Assembly**

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and the audited financial statements of the International Trade Centre for the year ended 31 December 2023.

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

Chapter I

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

Opinion

We have audited the financial statements of the International Trade Centre (ITC), which comprise the statement of financial position as at 31 December 2023 (statement I) and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the International Trade Centre as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

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

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

The Secretary-General is responsible for the other information, which comprises the financial report for the year ended 31 December 2023, contained in chapter IV, but does not include the financial statements and our auditor’s report thereon.

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

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

Responsibilities of the Secretary-General and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the financial reporting process of the International Trade Centre.

Auditor's responsibilities for the audit of the financial statements

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

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

- (a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the International Trade Centre;
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary-General;
- (d) Draw conclusions as to the appropriateness of the Secretary-General's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the International Trade Centre to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the International Trade Centre to cease to continue as a going concern;

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

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

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the International Trade Centre that have come to our notice, or that we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

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

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors
(Lead Auditor)

(Signed) **Dorothy Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile

(Signed) **Pierre Moscovici**
First President of the French Cour des Comptes

24 July 2024

Chapter II

Long-form report of the Board of Auditors

Summary

Audit opinion

The Board of Auditors has audited the financial statements and reviewed the operations of the International Trade Centre (ITC) for the year ended 31 December 2023. In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of ITC as at 31 December 2023 and its financial performance and cash flows for the year then ended, and have been prepared in accordance with the International Public Sector Accounting Standards.

Overall conclusion

The total assets of ITC increased by \$43.03 million (13 per cent) to \$374.10 million as at 31 December 2023 (2022: \$331.07 million), due mainly to the increase in voluntary contributions receivable (2022: \$168.79 million; 2023: \$198.87 million). Total liabilities increased by \$47.64 million (14 per cent) to \$386.74 million as at 31 December 2023 (2022: \$339.10 million), owing mainly to the increase in liabilities for conditional arrangements (2022: \$172.30 million; 2023: \$212.20 million). The net assets of ITC remained negative (2022: -\$8.03 million; 2023: -\$12.64 million) and the change is due primarily to the actuarial loss on employee benefit liabilities. The deficit of \$2.51 million for 2022 turned into a surplus of \$0.74 million in 2023.

The Board noted that the functioning of ITC could be improved in areas such as financial management, procurement management and human resources management. The Board has made recommendations to address those weaknesses.

Key findings

Non-compliance with restrictions for low-value acquisitions

ITC had inappropriately made low-value purchases totalling \$981,299 for property leasing, information technology equipment, software and furniture through low-value acquisitions from 2021 to 2023. Specifically, \$202,811 of purchases were made in 2023.

Requirements split into multiple low-value acquisitions

\$103,836 worth of requirements were split into 14 low-value acquisition orders within the same time frame to the same vendor for the same type of service.

Deficiencies in the duration of consultants and individual contractors contracts

ITC used the United Nations Office for Project Services (UNOPS) and the United Nations Development Programme (UNDP) in cases in which the limit of 24 months in a 36-month period was reached. Some consultants initially started with a consultants and individual contractors contract and were subsequently hired under UNOPS or UNDP after the 24-month limit. From 2021 to 2023, the total annual management fees paid to UNDP and UNOPS were \$1.06 million, resulting in additional administrative costs.

Main recommendations

The Board has made the following main recommendations, namely that ITC:

Non-compliance with restrictions for low-value acquisitions

(a) **Adhere to the administrative instruction on low-value acquisitions and ensure the correct coding of items.**

Requirement split into multiple low-value acquisitions

(b) **Strengthen the review of low-value acquisitions and ensure that if the estimated purchase amount is above \$10,000, the requirement shall be submitted for procurement action to the procurement services rather than split into multiple orders.**

Deficiencies in the duration of consultants and individual contractors contracts

(c) **Review the policy on consultants and individual contractors to align with the requirement of project management and to avoid unnecessary administrative costs.**

Follow-up on previous recommendations

As at 31 December 2023, of 16 outstanding recommendations up to the financial year ended 31 December 2022, 7 (44 per cent) had been implemented, while 9 (56 per cent) were under implementation.

Key facts

\$159.52 million	Total revenue
\$158.78 million	Total expenses
\$0.74 million	Surplus for the year
\$374.10 million	Total assets
\$386.74 million	Total liabilities
-\$12.64 million	Net assets

A. Mandate, scope and methodology

1. The International Trade Centre (ITC) is a technical cooperation agency jointly funded by the United Nations and the World Trade Organization (WTO) to stimulate exports by small and medium-sized enterprises in developing countries and countries with economies in transition.
2. The Board of Auditors has audited the financial statements of ITC and has reviewed its operations for the year ended 31 December 2023 in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations, as well as the International Standards on Auditing and the International Standards of Supreme Audit Institutions for the financial audit of public sector entities. The latter standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.
3. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the financial position of ITC as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS). This included an assessment as to whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.
4. The audit was conducted on site from 9 April to 3 May 2024 at ITC headquarters in Geneva.
5. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's report was discussed with ITC management, whose views have been appropriately reflected.

B. Findings and recommendations**1. Follow-up on previous recommendations**

6. The Board followed up on the implementation of previous recommendations. Of 16 outstanding recommendations up to the financial year ended 31 December 2022, ITC had implemented 7 recommendations (44 per cent), while 9 (56 per cent) were under implementation. The details are shown in table II.1.

Table II.1
Status of implementation of recommendations

Status	Report of the Board of Auditors					Total
	A/74/5 (Vol. III) 2018	A/75/5 (Vol. III) 2019	A/76/5 (Vol. III) 2020	A/77/5 (Vol. III) 2021	A/78/5 (Vol. III) 2022	
Open recommendations as at 31 December 2022	1	2	1	5	7	16
Status of implementation						
(a) Implemented	—	—	—	3	4	7
(b) Under implementation	1	2	1	2	3	9
(c) Not implemented	—	—	—	—	—	—
(d) Overtaken by events	—	—	—	—	—	—
Recommendations pending as at 31 December 2023	1	2	1	2	3	9

7. The annex to chapter II of the present report contains details on the status of implementation of previous recommendations. The Board carried out an analysis of the open recommendations and noted that three fell under project management; one involved financial management; three were about human resources management; one was related to travel management; and one was about the business continuity plan.

8. With regard to the ageing of open recommendations, three (33 per cent) had been pending for more than three years; one (11 per cent) had remained open for three years; two (23 per cent) were two years old; and three (33 per cent) were made one year ago.

2. Financial overview

Financial position

9. As at 31 December 2023, the net assets of ITC remained negative, at -\$12.64 million (2022: -\$8.03 million). Total assets increased by \$43.03 million (13 per cent), from \$331.07 million as at 31 December 2022 to \$374.10 million as at 31 December 2023, which was attributable mainly to the increase in long-term voluntary contributions receivable, from \$57.89 million to \$89.04 million, and in current investments, from \$83.71 million to \$104.35 million.

10. ITC reported total liabilities of \$386.74 million as at 31 December 2023 (2022: \$339.10 million). This increase was attributed mainly to the increase in non-current liabilities for conditional arrangements, which went up from \$101.06 million as at 31 December 2022 to \$140.48 million as at 31 December 2023. The accumulated deficit increased from \$23.46 million as at 31 December 2022 to \$32.91 million as at 31 December 2023.

Financial performance

11. ITC reported a surplus of \$0.74 million for the year ended 31 December 2023 (2022: deficit of \$2.51 million). Revenue in 2023 totalled \$159.52 million (2022: \$155.95 million), the majority of which was voluntary contributions of \$108.10 million (2022: \$115.59 million) and assessed contributions of \$40.33 million (2022: \$37.88 million).

12. ITC reported expenses of \$158.78 million for the year ended 31 December 2023 (2022: \$158.45 million). As in previous years, the majority of expenses related to employee salaries, allowances and benefits (\$79.91 million in 2023; \$76.25 million in 2022). Non-employee costs (costs of consultants and individual contractors) were reported as \$30.25 million (2022: \$31.61 million), and other operating expenses were \$25 million (2022: \$30.69 million). The expenses also included travel, grants and

other transfers, supplies and consumables, depreciation, amortization, other expenses and share of joint arrangement. Table II.2 shows the Board's analysis of ITC expenses.

Table II.2

Expenses of the International Trade Centre for the years ended 31 December 2022 and 31 December 2023

(Thousands of United States dollars)

Expense type	2023		2022	
	Thousands of United States dollars	Percentage of total	Thousands of United States dollars	Percentage of total
Employee salaries, allowances and benefits	79 911	50.3	76 251	48.1
Non-employee compensation and allowances, excluding travel costs	30 254	19.1	31 614	20.0
Travel, including non-employee travel	9 542	6.0	7 458	4.7
Grants and other transfers	8 724	5.5	7 847	5.0
Supplies and consumables	698	0.4	583	0.4
Depreciation	185	0.1	217	0.1
Amortization	820	0.5	816	0.5
Other operating expenses	25 001	15.8	30 692	19.4
Other expenses	3 565	2.2	2 995	1.9
Share of joint arrangement	84	0.1	(22)	-0.01
Total	158 784	100	158 451	100

Source: Based on data provided by ITC.

Financial analysis

13. As part of the financial analysis, the Board assessed the Centre's financial ratios (see table II.3).

Table II.3

Ratio analysis

Ratio	31 December 2023	31 December 2022
Cash ratio ^a (cash + short-term investments to current liabilities)	1.48	1.18
Quick ratio ^b (cash + investments + accounts receivable to current liabilities)	2.76	2.41
Current ratio ^c (current assets to current liabilities)	2.92	2.56
Solvency ratio ^d (total assets to total liabilities)	0.97	0.98

Source: ITC 2022 financial statements.

^a The cash ratio is an indicator of an entity's liquidity by measuring the amount of cash, cash equivalents or invested funds are available in current assets to cover current liabilities. A high ratio indicates strong short-term solvency.

^b The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.

^c A high ratio indicates an entity's ability to pay off its short-term liabilities.

^d A high ratio is a good indicator of solvency. The solvency ratio should generally be at least 1.0 in the long term.

14. The Board noted that the cash ratio, the quick ratio and the current ratio had increased compared with the previous year, owing mainly to the increase in current assets and the decrease in current liabilities in 2023. The change in the solvency ratio was negligible. The Board agrees with the assertion of ITC that it remains a going concern.

3. Financial and budget management

Deviation from accounting policy on capitalization

15. According to note 3 on significant accounting policies in the ITC financial statements, property, plant and equipment are capitalized when their cost is greater than or equal to \$5,000 for equipment and \$100,000 for leasehold improvements. No threshold is applied for vehicles, prefabricated buildings, satellite communications systems, generators and network equipment.

16. The Board reviewed the list of newly purchased property, plant and equipment and noted that the Centre's serialized, newly acquired motor vehicles and servers in 2022 and 2023 had not been capitalized, with a total amount of \$49,907.37. The Board also reviewed ITC data from previous years on property, plant and equipment, noting that all motor vehicles and servers had been capitalized with no threshold applied.

17. The Board is of the view that changes in the accounting policy should be made only if required by IPSAS or if the change will result in providing a more faithful and relevant representation of transactions. These criteria do not apply to ITC, and therefore it is unnecessary to alter the policy of capitalizing property, plant, and equipment.

18. The Board recommends that ITC capitalize the assets that were not capitalized in 2022 and 2023, with a total amount of \$49,907.37, based on the ITC accounting policy.

19. ITC accepted the recommendation.

Insufficient workforce planning for strategic decision-making and operational and budget planning

20. In the United Nations guide for preparing the proposed programme budget for 2023, it is stated that entities can avail themselves of the workforce planning methodology to assess their needs (staff/non-staff) for workforce capabilities and to prepare their justifications for new positions, redeployments, reclassifications and resources for training (upskill/reskill) to be included in the forthcoming budget.

21. The Board noted that the ITC proposed programme budget for 2023 ([A/77/6 \(Sect. 13\)](#)) included details of 160 regular budget posts and 20 posts funded through the special account for programme support costs, with a proposed budget of 62.57 million Swiss francs covering these posts, other staff costs and project personnel. At the end of 2023, the ITC workforce consisted of 411 staff members and project personnel, with an expenditure of \$79.91 million.

22. The Board also noted that employee salaries, allowances and benefits accounted for 46.62 per cent of the total ITC full regular budget and extrabudgetary resources. However, ITC did not conduct comprehensive workforce planning.

23. ITC explained that additional extrabudgetary resources were used for project personnel to implement technical cooperation projects and that there were project-related posts that were not included in the budget fascicle. These positions were created in the context of project activities and their level and duration depend on the project terms of reference and the allocated budget. In addition, these types of

positions could be created or abolished in the course of the year depending on the project life cycle, new projects and the allocated budget, among other things.

24. The Board is of the view that since ITC extrabudgetary-funded projects span multi-year periods, workforce planning is important from an operational point of view. Staff and non-staff workforce plans should be based on the present and future business needs of ITC, which requires strategic decision-making.

25. The Board recommends that ITC introduce an approach to workforce planning and conduct an annual exercise in order to anticipate its workforce requirements and improve its strategic decision-making as part of its operational and budget planning.

26. ITC accepted the recommendation.

4. Procurement management

Non-compliance with restrictions for low-value acquisitions

27. According to the administrative instruction on low-value acquisitions (ITC/AI/2018/05), low-value acquisitions shall not be used for the acquisition of (a) rental of premises (the Central Support Service must coordinate all leases, with details to be channelled through the Umoja procurement module); (b) information technology equipment, software, web hosting and consumables (these requirements shall be forwarded to procurement services, which will coordinate with the Information Technology Services Section on the standardization or specific information technology requirements, be it for equipment used at headquarters or in the field); and (c) any equipment or furniture (owing to the complexity of the serialization and capitalization of equipment, the purchase of equipment shall be centralized and processed by procurement services wherever the equipment shall be used).

28. The Board noted that ITC had made low-value purchases totalling \$981,299 for property leasing, information technology equipment, software and other equipment and furniture through low-value acquisitions from 2021 to 2023. Specifically, \$202,811 of purchases were made in 2023.

29. ITC explained that some purchases had been endorsed by procurement services to ease the process (payment issues, etc.) or the item had been wrongly coded.

30. The Board is of the view that the administrative instruction on low-value acquisitions has restricted the purchase of equipment, more particularly information technology equipment, to the centralized procurement services to ensure consistency with the asset module/information technology standards and capitalization, and that the instruction has clearly not been complied with as there are no regulations about endorsement.

31. The Board recommends that ITC adhere to the administrative instruction on low-value acquisitions and ensure the correct coding of items.

32. ITC accepted the recommendation.

Requirements split into multiple low-value acquisitions

33. It is stated in the United Nations Procurement Manual that under no circumstances shall the requirements be split into multiple solicitations or combined between requests for quotations and low-value acquisitions for the same or related requirement to avoid a formal method of solicitation. If the estimated value of the requirements exceeds \$10,000 (or the equivalent amount, in accordance with United Nations operational rates of exchange on the quotation date), the requirement shall be

submitted for procurement action through the established procedures. According to the administrative instruction on low-value acquisitions (ITC/AI/2018/05), under no circumstances shall requirements be split to circumvent the procurement process. If the estimated purchase amount is above \$10,000, the requirement shall be submitted for procurement action to the procurement services.

34. The Board reviewed the ITC procurement list in 2023 and noted that \$103,836 worth of requirements were split into 14 orders below \$10,000 in order to use low-value acquisitions, within the same time frame to the same vendor for the same type of service.

35. The Board is of the view that splitting requirements was not in accordance with the prohibition of splitting requirements according to the United Nations Procurement Manual and the ITC administrative instruction on low-value acquisitions and may lead to a lack of transparency.

36. The Board recommends that ITC strengthen the review of low-value acquisitions and ensure that if the estimated purchase amount is above \$10,000, the requirement shall be submitted for procurement action to the procurement services rather than split into multiple orders.

37. ITC accepted the recommendation.

Deficiencies in identifying and aggregating similar low-value acquisition requirements

38. In the administrative instruction on low-value acquisitions (ITC/AI/2018/05), it is stated that goods/services purchased must be of a non-recurrent nature and cannot involve prolonged service contract obligations.

39. According to the United Nations Procurement Manual, should an entity identify that low-value acquisitions are being used repeatedly within the same year to buy similar requirements by the same office or several offices pertaining to that entity, efforts should be made to aggregate the requirements and conduct a bidding exercise, with the aim of replacing the use of low-value acquisitions with a contract or a blanket purchase order as soon as possible.

40. The Board reviewed the low-value acquisitions from 2021 to 2023 and noted that some had been issued to the same vendors for the same recurrent type of service. ITC had made 704 low-value acquisitions with a total value of \$2,435,410 from 25 suppliers from 2021 to 2023. Specifically, in 2023 alone, 254 low-value acquisitions with a total value of \$1,023,728 from those suppliers were made.

41. Under one project, there were 30 low-value acquisitions for conference and catering services with a total value of \$188,056 from a vendor in 2023, while 21 similar services with a total value of \$122,262 had been successively purchased from the same vendor in both 2021 and 2022. Similarly, under another project, there were 15 low-value acquisitions for conference services with a total value of \$61,555 from another vendor, while 31 similar services worth \$105,716 had been purchased from the same vendor between 2021 and 2022.

42. The Board is of the view that making multiple low-value acquisitions with the same vendor over the course of the year for the same recurrent type of service contradicts the spirit of the low-value acquisitions process. The use of low-value acquisitions as an informal solicitation method simplifies the procurement process compared with other solicitation methods, but lacks transparency and competitiveness by limiting the participation opportunities of other suppliers. Frequent use of low-value acquisitions increases management costs, whereas aggregating similar requirements to a whole purchase order means higher efficiency and lower costs.

43. **The Board recommends that ITC strengthen the review of low-value acquisitions and make efforts to aggregate similar requirements and replace the use of low-value acquisitions with a contract or a blanket purchase order.**

44. ITC accepted the recommendation.

5. Human resources management

Deficiencies in the duration of consultants and individual contractors contracts

45. In paragraphs 5.7 and 5.8 of the administrative instruction on consultants and individual contractors (ITC/AI/2022/01), it is stated that the duration of the contract shall be directly linked to the terms of reference as set out in the contractor's contract and that, to limit the repeated use of the same consultant, either to perform different tasks within the workplan or a series of tasks within the same project, no consultant shall provide services for more than 24 months in a 36-month period, whether continuous or not.

46. The Board noted that ITC used the United Nations Office for Project Services (UNOPS) and the United Nations Development Programme (UNDP) in cases in which the limit of 24 months in a 36-month period was reached. This was evidenced by the fact some consultants initially started with a consultants and individual contractors contract and were subsequently hired under UNOPS or UNDP after the 24-month limit.

47. The Board analysed the contracts data for 2023 and noted that seven consultants who were initially contracted by ITC were hired under UNOPS when the 24-month limit was reached.

48. The Board also noted that recruitment through UNOPS and UNDP requires additional administrative costs. From 2021 to 2023, the annual management fees paid to UNDP and UNOPS were \$394,211, \$421,493 and \$240,266, respectively.

49. ITC explained that a longer project duration often required a longer period of expert and staff support.

50. The Board is of the view that although professional consultants are helpful for the smooth progress of the project, it is necessary to assess expert needs and reduce costs.

51. **The Board recommends that ITC review the policy on consultants and individual contractors to align with the requirement of project management and to avoid unnecessary administrative costs.**

52. ITC accepted the recommendation.

Deficiencies in open recruitment for consultants and individual contractors

53. In paragraph 4.1 of the administrative instruction on consultants and individual contractors (ITC/AI/2022/01), it is stated that managers are responsible for instituting a competitive selection procedure, which can take several forms, including the evaluation of individuals identified from a roster of qualified individuals, through the issuance of a contractor opening or through any other appropriate means. For each assignment, every effort shall be made to shortlist a minimum of three candidates from the widest possible geographical and diverse basis. Travel costs may be considered but may not distort the geographical balance in the awarding of contracts. When the services of a contractor are initially needed for a period of more than six months, a contractor opening shall be advertised for a minimum period of seven working days.

54. The Board noted that a very small number of consultants were hired through advertisements or vacancy notices. From 29 March 2022 to 31 December 2023, ITC recruited a total of 2,566 experts, of whom only 116 (4.52 per cent) were subject to open recruitment. A total of 95.48 per cent of the initial hiring requests were for less than six months. In fact, in 2022 and 2023, there were 698 consultants whose service term was not initially for six months but eventually exceeded six months.

55. ITC explained that the advertisement of the opening was required only for proposed initial contracts that were longer than six months. There were different reasons for initially shorter contract periods, including the needs of the project, funding.

56. The Board is of the view that open recruitment helps to enhance the competitive selection of consultants and recruit more professional consultants. It is necessary to increase the proportion of open recruitment. Since most of the initial requirements are less than six months, the rationality of the system needs to be assessed.

57. The Board recommends that ITC conduct a review of the initial contract period for consultants and individual contractors to analyse whether a minimum of six months is the optimal period to require advertisement, evaluating the advantages of and possible challenges to any change to the advertisement requirement.

58. ITC accepted the recommendation.

C. Transmissions of information by management

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

59. ITC reported that it had written off \$106,328 related to the donation of fully depreciated equipment as a result of project closures and non-recoverable receivables of \$19,776 during the year ended 31 December 2023.

2. Ex gratia payments

60. ITC reported no ex gratia payments for the year ended 31 December 2023.

3. Cases of fraud, presumptive fraud and financial mismanagement

61. ITC has no cases of fraud or presumptive fraud to report for the year ended 31 December 2023.

D. Acknowledgement

62. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Executive Director and staff of ITC.

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors
(Lead Auditor)

(Signed) **Dorothy Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile

(Signed) **Pierre Moscovici**
First President of the French Cour des Comptes

24 July 2024

Annex

Status of implementation of recommendations up to the financial year ended 31 December 2022

No.	Audit report year	Report reference	Board's recommendation	ITC response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
1.	2018	A/74/5 (Vol. III) , chap. II, para. 48	Incorporate the standard provisions in all memorandums of understanding, in particular, conditionality for payment in the case of projects with training components. Also consider incorporation of the provision linking the future relationship with a grantee to timely submission of a long-term impact report to the satisfaction of ITC.	The grant template incorporates a standard provision requiring the grantee to provide all pertinent proof for release of payment, including a list of participants and other relevant supporting financial documentation. The ITC administrative instruction on grants is in the process of being reviewed to include a framework for reporting. The final provisions will eventually be incorporated into the grant model as deemed necessary.	Given that the administrative instruction on grants is in the process of being reviewed, this recommendation is considered to be under implementation.		X		
2.	2019	A/75/5 (Vol. III) , chap. II, para. 26	Have a well-documented and adequately tested business continuity plan to effectively mitigate risks of work interruptions posed by disruptive events.	The business continuity plan is being updated.	Given that the business continuity plan is being updated, this recommendation is considered to be under implementation.		X		
3.	2019	A/75/5 (Vol. III) , chap. II, para. 78	Adhere to the provisions of the grant memorandum of understanding template, in particular conditionality for payment in the case of projects with training components.	The grant template incorporates a standard provision requiring the grantee to provide all pertinent proof for release of payment, including a list of participants and other relevant supporting financial documentation.	Given that the correction is still in process, this recommendation is considered to be under implementation.		X		
4.	2020	A/76/5 (Vol. III) , chap. II, para. 60	Adopt corrective measures to improve compliance with the advance ticket purchase policy.	ITC is putting in place clear accountability mechanisms at all levels to ensure improved compliance with the advance ticket purchase policy.	Given the updated progress, this recommendation is considered to be under implementation.		X		
5.	2021	A/77/5 (Vol. III) , chap. II, para. 19	Clear the outstanding advances on 90 closed implementing partner agreements and review those with outstanding advances on a regular basis.	ITC has implemented a strategy with a view to reducing the advance payments and allowing the grantees more money, and has dedicated staff to perform a review of advances to implementing partners with a view to analysing their ageing and validity. ITC analysis shows that there are no closed grants with outstanding advances to implementing partners.	Given the strategy that ITC has implemented, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Board's recommendation	ITC response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
6.	2021	A/77/5 (Vol. III) , chap. II, para. 26	Review the balance of grants regularly and clear the residual cash balance of closed grants within a reasonable time period.	ITC contacted the funders and the project managers managing the grants that had reached “closed” status in the meantime. The resulting actions were to return residual funds or keep the remaining balance. A dedicated staff member in financial management who performs a review of grants in a systematic manner is provided. Guidelines on the operational and financial closure of grants were published on the ITC intranet.	Given that a guideline on regularly reviewing grants has been compiled, this recommendation is considered implemented.	X			
7.	2021	A/77/5 (Vol. III) , chap. II, para. 34	Develop a comprehensive strategic workforce plan covering all types of workforce so as to identify the talents and skills required by ITC.	ITC is reviewing its existing practices for funding positions and designing a new approach for a more strategic and aligned workforce management model.	Given that ITC has started the first step of establishing the workforce planning, this recommendation is considered implemented.	X			
8.	2021	A/77/5 (Vol. III) , chap. II, para. 40	Take measures to promote the timely completion of midterm reviews and ensure the integrity of the year-end review reports.	Dashboards have been created so that managers have access to information. Strengthening performance management of ITC projects includes mandatory goals for managers to establish key performance indicators and just-in-time training at each stage of the performance management cycle.	Given that the Centre's measures are in process, this recommendation is considered to be under implementation.		X		
9.	2021	A/77/5 (Vol. III) , chap. II, para. 47	Review the current approach to the deployment of physical presence in the field and develop guidelines on opening project offices.	ITC is currently developing the country engagement and communication strategy, which will enable the organization to increase and enhance its physical field presence in a more strategic way.	Given that ITC is currently developing the country engagement and communication strategy, this recommendation is considered to be under implementation.		X		
10.	2022	A/78/5 (Vol. III) , chap. II, para. 19	Strengthen its review of open commitments, and adhere to validity periods and related administrative procedures set out in the Financial Regulations and Rules of the United Nations.	ITC financial management performs a review of open commitments in a systematic manner on a monthly basis and sends quarterly reports to project managers and certifying officers. Updated information on open commitments is available on a weekly basis to certifying officers and project managers.	Given that ITC has built up a regular monitoring system on open commitments, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Board's recommendation	ITC response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
11.	2022	A/78/5 (Vol. III) , chap. II, para. 24	Update relevant delegations of authority and manage them through the United Nations online portal.		Given that no further information was provided, this recommendation is considered to be under implementation.		X		
12.	2022	A/78/5 (Vol. III) , chap. II, para. 31	Increase its efforts to reach the delivery target in priority countries, and strengthen accountability for target setting and reporting at the project and section level.	A detailed checklist for reporting in the project portal was shared with project managers, project developers and results-based management focal points, with chiefs and directors in copy. A series of formal workshops was held for all personnel involved in reporting. Dedicated one-on-one support was made available for more complex cases/questions related to reporting, including for ITC substrategies. Chiefs have been requested to ensure that the reported information is complete and quality-checked.	Given the measures that ITC has taken to reach the delivery target and target setting, this recommendation is considered implemented.	X			
13.	2022	A/78/5 (Vol. III) , chap. II, para. 37	Adhere strictly to its low-value acquisition policy, in particular by avoiding issuing multiple low-value acquisitions for recurring services and uploading offer procedural control low-value acquisition forms in the Umoja system.	ITC will continue its monitoring to ensure full adherence to its low-value acquisition policy through spot checks and training of managers and certifying officers and, if needed, will take appropriate action against certifying officers splitting low-value acquisitions.	Given that ITC has monitored low-value acquisitions every year and delivered annual reports, this recommendation is considered implemented.	X			
14.	2022	A/78/5 (Vol. III) , chap. II, para. 44	Strengthen vacancy management and take measures to improve recruitment timelines, especially for key leadership positions, in line with its annual operational target.	ITC has completed the selection process for all key leadership positions.	Given that ITC has completed the selection process for all key leadership positions, this recommendation is considered implemented.	X			
15.	2022	A/78/5 (Vol. III) , chap. II, para. 50	Implement measures to strengthen the accountability of all managers and ensure that staff members complete mandatory training on time.		Given that no further information was provided, this recommendation is considered to be under implementation.		X		

No.	Audit report year	Report reference	Board's recommendation	ITC response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
16.	2022	A/78/5 (Vol. III) , chap. II, para. 54	Review those cases in which special post allowance for more than two years has been granted and ensure compliance with ITC administrative instruction ITC/AI/2014/13.		Given that no further information was provided, this recommendation is considered to be under implementation.		X		
Total number of recommendations						16	7	9	–
Percentage of the total number of recommendations						100	44	56	–

Chapter III

Certification of the financial statements

Letter dated 31 March 2024 from the Assistant Secretary-General, Controller, addressed to the Chair of the Board of Auditors

The financial statements of the International Trade Centre for the year ended 31 December 2023 have been prepared in accordance with financial regulation 6.1 of the Financial Regulations and Rules of the United Nations.

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. The notes provide additional information and clarifications of the financial activities undertaken by the International Trade Centre during the period covered by these statements for which the Secretary-General has administrative responsibility.

I certify that the appended financial statements of the International Trade Centre, numbered I to V, are correct in all material respects.

(Signed) Chandramouli **Ramanathan**
Assistant Secretary-General, Controller

Chapter IV

Financial report for the year ended 31 December 2023

A. Introduction

1. The Executive Director has the honour to submit the financial report on the accounts of the International Trade Centre (ITC) for the year ended 31 December 2023.
2. The present report is designed to be read in conjunction with the financial statements. It presents an overview of the consolidated position and performance of ITC, highlighting trends and significant movements. Attached to the report is an annex with supplementary information, which is required to be reported to the Board of Auditors under the Financial Regulations and Rules of the United Nations.

B. Governance

3. ITC is the joint technical cooperation agency of the United Nations and the World Trade Organization (WTO) for trade and international business development. ITC is subject to the governing bodies of both parent organizations. They include the programme and budget approval bodies of the United Nations and WTO: the Committee for Programme and Coordination, the Advisory Committee on Administrative and Budgetary Questions, the General Assembly, the WTO Committee on Budget, Finance and Administration and the WTO General Council. ITC is subject to the Financial Regulations and Rules and the Staff Regulations and Staff Rules of the United Nations, and to the oversight system of the United Nations. The Executive Director of ITC is selected jointly by the Director General of WTO and the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) and appointed by the United Nations Secretary-General.
4. The ITC programme of work is reviewed annually by the Joint Advisory Group, the main intergovernmental advisory forum of ITC, which is open to members of UNCTAD and WTO. The WTO General Council and the UNCTAD Trade and Development Board review the report and recommendations of the Joint Advisory Group annually. The Group serves a number of key functions, including keeping member States apprised of ITC operations, enabling them to offer views and comments, advising on the ITC strategic plan and announcing voluntary extrabudgetary contributions. It is also the opportunity for the heads of WTO and UNCTAD to comment on the performance of ITC.
5. The Consultative Committee of the ITC trust fund reviews the ITC strategic and operational plans and the use of funds made available through the ITC trust fund.

C. Objectives and strategies

6. ITC aims to improve the international competitiveness of micro-, small and medium-sized enterprises from developing countries, especially least developed countries, and countries with economies in transition through the delivery of trade-related technical assistance.
7. The ITC mandate is built on the principle that trade can be a potent vehicle to improve livelihoods by boosting the competitiveness of micro-, small and medium-sized enterprises. The relevance of trade is explicitly recognized in the 2030 Agenda for Sustainable Development, which notes that “international trade is an engine for inclusive economic growth, job creation and poverty reduction, and contributes to the

promotion of sustainable development”. Member States agreed to “continue to promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization, as well as meaningful trade liberalization”. The contribution of ITC to micro-, small and medium-sized enterprise competitiveness, employment creation and income generation is more important and relevant than ever.

8. 2023 was the second year of implementation of the ITC strategic plan 2022-2025. ITC continues to deliver on its mandate in support of the Sustainable Development Goals. By boosting the competitiveness of micro-, small and medium-sized enterprises, placing trade-led growth at the centre of economic and social policies of Member States and building business ecosystems in developing countries, the work of ITC with women, young people and persons in vulnerable situations helps to build sustainable and inclusive livelihoods through trade.

D. Overview of operations and environment

9. In line with the ITC strategic plan 2022–2025, ITC contributes to the Sustainable Development Goals, summarized as People, Planet, Prosperity supported by Peace and Partnerships (“the 5 Ps”). ITC combines its extensive expertise in four core service areas: (a) improved micro-, small and medium-sized enterprise firm-level capacities to trade; (b) a more supportive business ecosystem for micro-, small and medium-sized enterprises; (c) a more conducive policy and regulatory environment for micro-, small and medium-sized enterprises; and (d) improved business, trade and market intelligence (public goods) and advocacy for micro-, small and medium-sized enterprises. Results are achieved in five impact areas: (a) sustainable and resilient value chains; (b) inclusive trade; (c) green trade; (d) e-commerce; and (e) regional integration and South-South trade.

10. In 2023, ITC planned to deliver trade-related technical assistance worth \$146.1 million. Actual delivery was above target, at \$152.7 million. This delivery was financed by two types of funds: the regular budget and extrabudgetary funding. ITC delivered technical assistance, capacity-building and market intelligence with gross extrabudgetary expenditures of \$112.0 million. Extrabudgetary expenditure is approximately 2.3 per cent lower than in the previous year. Regular budget expenditure amounted to \$40.7 million. General performance is in line with output and outcome targets that were set for the year. The Centre’s performance continued to be strongly supported by corporate initiatives for innovation, efficiency and effectiveness.

11. In 2023, more than 538,000 beneficiaries became more aware of trade-related topics, through use of ITC market intelligence tools and other digital content, as well as through targeted ITC awareness-raising and knowledge-sharing events. In more than 60 cases, ITC influenced policymakers and contributed to strategy or policy formulations for the benefit of micro-, small and medium-sized enterprises in developing economies. In almost 500 instances, public and private business support organizations improved their performance through ITC interventions and improved their ability to serve their clients. More than 33,000 micro-, small and medium-sized enterprises, of which more than 10,000 were women-led businesses, changed their business operations and improved their competitiveness. More than 11,000 micro-, small and medium-sized enterprises (of which more than 4,000 were women-led) transacted international business with ITC assistance. The largest share of ITC delivery – over 40 per cent – continued to be focused on the sub-Saharan Africa region, in line with the Centre’s prioritization of the most vulnerable countries. In 2023, 38 per cent of country-specific extrabudgetary expenditure was dedicated to the least developed countries and 75 per cent to the wider group of priority countries,

consisting of the least developed countries, landlocked developing countries, small island developing States, sub-Saharan Africa and countries in conflict and post-conflict situations.

12. During 2023, ITC continued to incorporate lessons learned and best practices to tackle the triple planetary crisis of climate change, pollution and biodiversity loss, while operating in fragile country contexts often affected by conflicts and instabilities. ITC maintained a hybrid approach to delivery, delivering on site and building digital capacity through its SME Trade Academy with country-based implementing partners and by partnering with other United Nations agencies. Among ITC public goods, the market analysis tools recorded more than 1.4 million registered users. ITC continued to develop the African Trade Observatory, the online portal that constitutes one of the five operational instruments of the African Continental Free Trade Area. ITC trade intelligence products, such as ITC trade briefs, raised awareness of important trade-related topics, ranging from the European Union deforestation regulation to an analysis of the export potential of key products for the energy transition. In its flagship report, *SME Competitiveness Outlook 2023: Small Businesses in Fragility – From Survival to Growth*, ITC emphasized the need for direct support to micro-, small and medium-sized enterprises to be complemented by reforms that promote peace and stability and improve the business environment.

13. In its annual evaluation synthesis report for 2023, ITC found that most of the Centre's interventions had positively contributed to Member States' national development objectives and had informed future approaches to maximize impact. Partnerships and capacity-building activities had helped to ensure sustainability of results, with opportunities for improvement in creating country-level synergies. In response, ITC is operationalizing its country engagement strategy, with an expectation to strengthen its country presence and coordination and optimize its participation in United Nations country teams.

14. During 2023, ITC proactively managed risks and ensured continuity of engagement in dialogue with stakeholders. ITC management carried out regular corporate risk assessments and reviewed and updated the ITC enterprise risk management framework. The Centre faced risks related to instabilities and socioeconomic fragility in several programming countries, resulting in external risks related to staff safety and security as well as to cybersecurity being rated as high risks in the ITC risk register. ITC continued to closely monitor developments and risk mitigation measures in these two risk areas.

15. ITC implemented several efficiency and effectiveness initiatives measured by key performance indicators. Once again, carbon emission neutrality has been achieved. In the area of staff diversity, the percentage of women on senior positions reached 50 per cent against a 50 per cent target. The United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women 2.0 framework compliance rating increased to 94 per cent, as measured by the indicators "met" or "exceeded". ITC was successful in its fundraising efforts, securing \$292 million of extrabudgetary funding for the years 2024 and beyond.

16. The Centre continued to work closely with UNCTAD, such as in the area of e-commerce, and with WTO by building the capacity of developing countries, including the least developed countries, to engage effectively in investment facilitation negotiations and supporting WTO accessions of several countries. ITC engaged with other United Nations agencies, including through membership in the United Nations Sustainable Development Group and United Nations country teams. ITC is a signatory to 49 United Nations Sustainable Development Cooperation Frameworks and has contributed to many country-level joint workplans. WTO, UNCTAD and ITC continued to collaborate on universally available global public

goods, such as the Global Trade Helpdesk, which offers a single window for trade intelligence.

17. At the fifty-seventh annual meeting of the ITC Joint Advisory Group, held in Geneva on 20 July 2023, Member States emphasized the pivotal role of ITC in supporting the resilience of small businesses and fostering a conducive business environment while equipping businesses and policymakers with data and intelligence, including through the One Trade Africa initiative aimed at operationalizing the African Continental Free Trade Area and the SheTrades initiative that supports thousands of women producers and entrepreneurs. Delegates highlighted ITC initiatives such as the “Growth for rural advancement and sustainable progress” programme in Pakistan that helps rural micro-, small and medium-sized enterprises to invest in green technologies, the Alliances for Action initiative that builds partnerships in agricultural value chains and the Climate Smart Network initiative that connects micro-, small and medium-sized enterprises with climate-smart credentials to prospective buyers. Members also highlighted the need for trade to ensure that no one is left behind and recognized ITC for its impact on people’s lives and for creating trade opportunities around the world through a focus on the least developed countries and vulnerable groups such as women, young people and refugees and supporting developing countries so that they can benefit from bilateral and multilateral trade opportunities. Bridging the digital divide, enhancing digital competitiveness and enabling technology transfer were highlighted as being of high importance. In this area, delegates called for increased ITC support for micro-, small and medium-sized enterprises in developing countries.

E. Overview of the financial statements for the year ended 31 December 2023

18. Statements I to V show the financial results of ITC activities and its financial position as at 31 December 2023. The notes to the financial statements explain the Centre’s accounting and financial reporting policies and provide additional information on the individual amounts contained in the statements.

Revenue

Financial results

(Thousands of United States dollars)

	2023	2022
Total revenue	159 525	155 946
Total expense	158 784	158 451
Surplus/(deficit)	741	(2 505)

19. In 2023, total revenue of \$159.525 million (2022: \$155.946 million) comprised voluntary contributions from donors of \$108.098 million (67.8 per cent), assessed contributions of \$40.326 million (25.3 per cent), investment revenue of \$5.854 million (3.7 per cent), revenue from other transfers and allocations of \$3.145 million (2.0 per cent) and other revenue of \$2.102 million (1.3 per cent). Voluntary contributions from donors include a rental subsidy (contribution in kind) of \$3.564 million for the year, representing the difference between the market value and the actual amount paid for the rental of the building occupied by ITC.

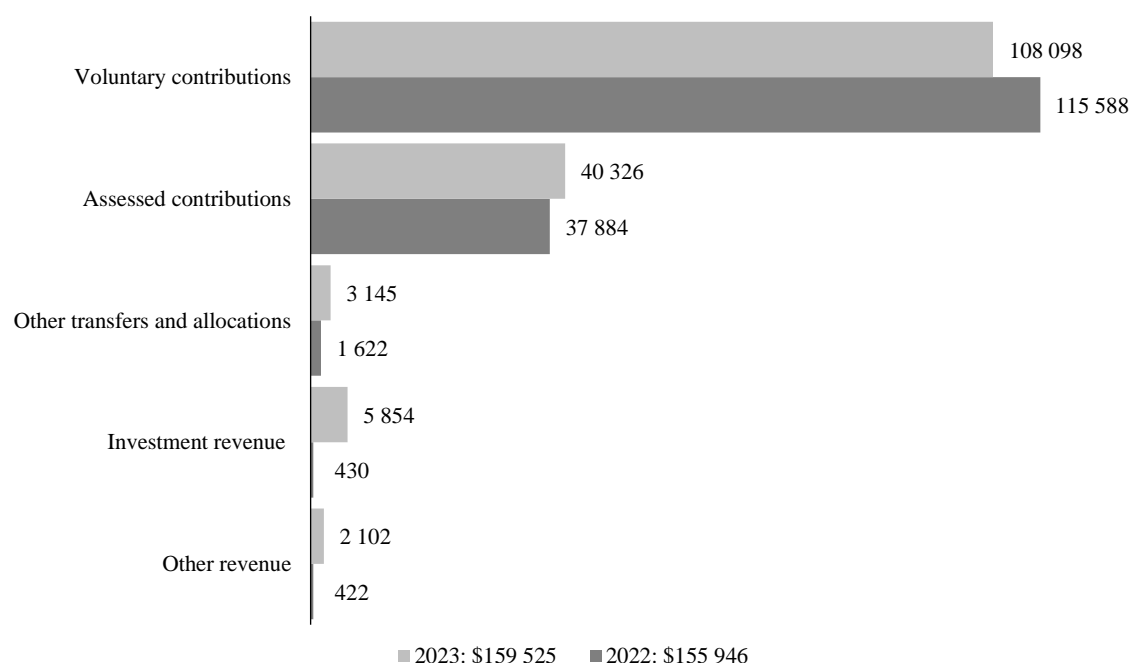
20. Voluntary contributions through donor agreements are recognized as revenue at the point of signature except where such agreements contain a condition requiring specific performance and return obligation. Voluntary contributions often cover multi-year periods as they are usually committed for the lifetime of the projects, typically three or four years. This means that part of the revenue recognized in previous years is used for activities in the current year or in future years except where the agreements are conditional.

21. Contributions from unconditional agreements of \$48.500 million were mainly from the signature of major multi-year agreements with Germany, Italy, Japan, the Republic of Korea, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland, as well as other transfers and allocations from inter-organizational arrangements and multi-donor initiatives under the Enhanced Integrated Framework Trust Fund and the United Nations multi-partner trust funds. During the year, an amount of \$59.692 million was recognized from conditional agreements.

Figure IV.I

Total revenue by category and fiscal year

(Thousands of United States dollars)

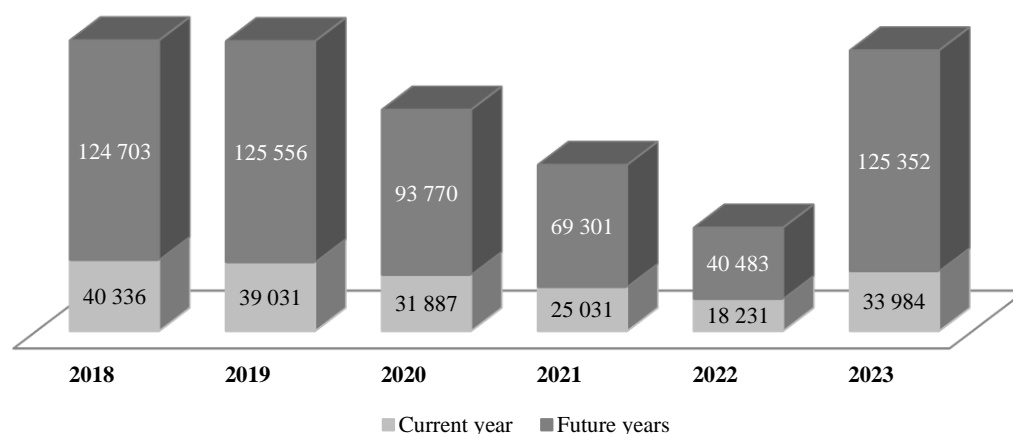


22. Overall, on a year-to-year basis, the value of voluntary contributions and other transfers and allocations multi-year agreements signed with donors was \$159.336 million in 2023, \$58.714 million in 2022, \$94.332 million in 2021, \$125.657 million in 2020, \$164.587 million in 2019 and \$165.039 million in 2018, as shown in figure IV.II.

Figure IV.II

Voluntary contributions and other transfers and allocations agreements signed with donors (conditional and unconditional) showing current year and future year portions by fiscal year

(Thousands of United States dollars)

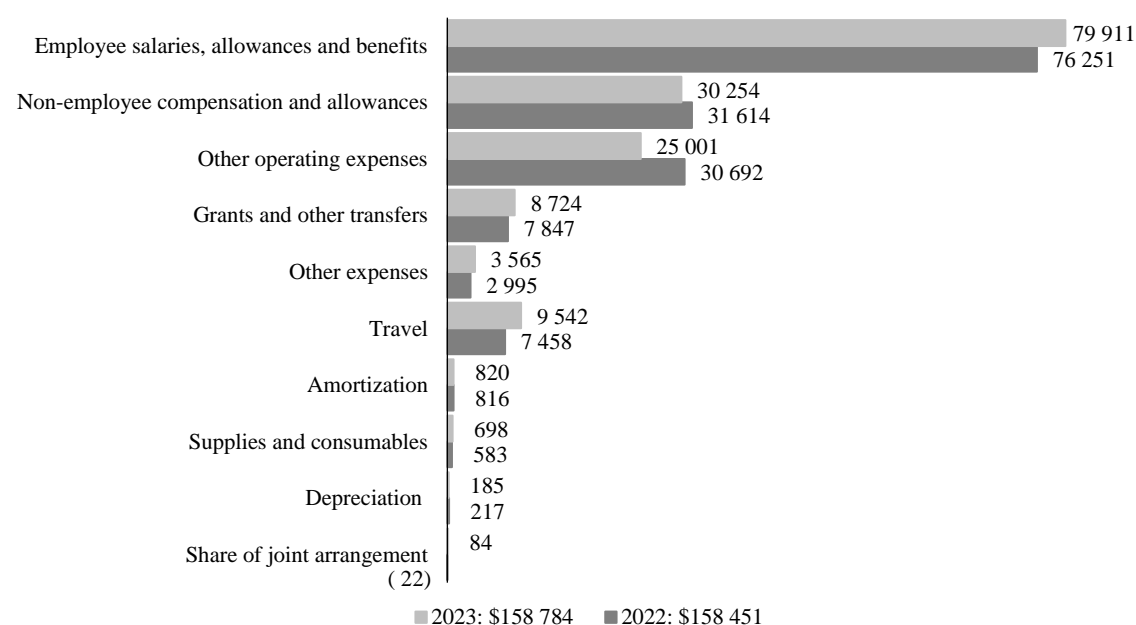


Expenses

23. For the year ended 31 December 2023, expenses totalled \$158.784 million (2022: \$158.451 million) and comprised the following categories: staff costs of \$79.911 million (50.3 per cent); non-employee compensation and allowances of \$30.254 million (19.1 per cent); other operating expenses of \$25.001 million (15.7 per cent); travel of \$9.542 million (6.0 per cent); grants and other transfers of \$8.724 million (5.5 per cent); other expenses, including share of joint arrangement, of \$3.649 million (2.3 per cent); depreciation and amortization of \$1.005 million (0.6 per cent); and supplies and consumables of \$0.698 million (0.4 per cent). Staff costs included \$5.870 million of interest costs and current service costs related to defined benefit obligations, net of benefit payments (after-service health insurance, annual leave and repatriation grant/travel). In accordance with the policy set by the United Nations Controller, programme support costs on expenses generated by the implementation of project activities are charged based on rates ranging from 7.0 per cent to 14.0 per cent. These costs are included in the project expenses.

Figure IV.III
Total expenses by category and fiscal year

(Thousands of United States dollars)



24. The total personnel cost, which includes staff costs and non-employee compensation and allowances, amounted to \$110.165 million (2022: \$107.865 million), representing 69.4 per cent of total expenses for the year, which is fairly constant compared with 68.1 per cent in 2022. Other operating expenses amounted to \$25.001 million (2022: \$30.692 million), representing 15.7 per cent of total expenses for the year. The decrease of 18.5 per cent compared with the prior year is due to a decrease in requirements for contracted services, acquisition of goods and rental of premises for project activities in line with project budgets. Grants and other transfers of \$8.724 million (2022: \$7.847 million) increased 11.2 per cent owing to the increased decentralization of project activities to local counterparts. Travel amounted to \$9.542 million (2022: \$7.458 million) or 6.0 per cent of total 2023 expenses. The increase of 27.9 per cent compared with 2022 is due to continued implementation and expanded interactions with the beneficiaries of ITC projects. Supplies and consumables increased 19.7 per cent compared with 2022 (2023: \$0.698 million; 2022: \$0.583 million) owing to natural consumption. Depreciation and amortization decreased 2.7 per cent compared with 2022 (2023: \$1.005 million; 2022: \$1.033 million). Other expenses, including the ITC share of joint arrangements, amounted to \$3.649 million (2022: \$2.973 million). The increase of 22.7 per cent is due to an increase in ITC liability for the share of joint arrangements as well as an increase in the dollar value of the rent subsidy, which is denominated in Swiss francs. The general performance is in line with outcome targets that were set for the year 2023.

Operating results

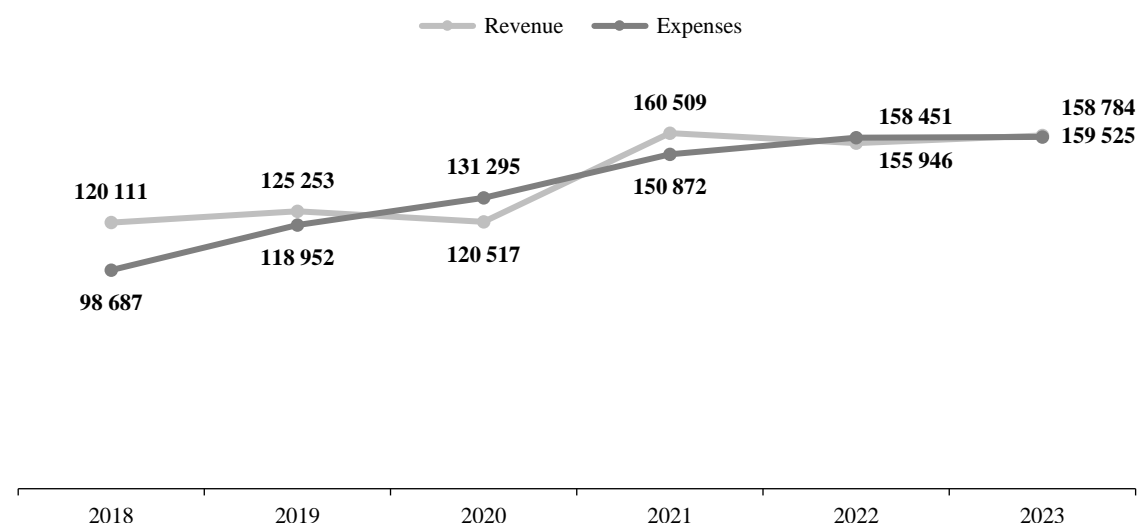
25. The net surplus of revenue over expenses in 2023 was \$741 million (2022: net deficit \$2.505 million). Revenue from voluntary contributions related to agreements that contain a condition requiring the return of the contribution if funds are not spent in accordance with the terms and conditions specified by the donor is recognized as a liability. As ITC satisfies the agreement conditions, the carrying amount of the liability is reduced and an equal amount is recognized as revenue.

26. Recognition of revenue from unconditional agreements at a point of signature of the agreement has skewed the Centre's annual results since revenue may be recognized several years in advance of expenses. Anticipated changes in accounting standards effective 1 January 2026 (IPSAS 47: Revenue, replacing IPSAS 23 and IPSAS 9), will change the impact of upfront revenue recognition from the Centre's financial performance in future years.

Figure IV.IV

Movement in revenue and expenses

(Thousands of United States dollars)

**Assets**

27. Assets as at 31 December 2023 totalled \$374.096 million compared with the balance at 31 December 2022 of \$331.071 million.

28. The main assets as at 31 December 2023 were cash and cash equivalents and investments totalling \$159.523 million (2022: \$146.403 million), representing 42.6 per cent of the total assets, and voluntary contributions receivable from donors for technical cooperation projects of \$198.867 million (2022: \$168.794 million), or 53.2 per cent. The remaining assets consisted of other assets, property, plant and equipment and intangible assets.

29. Cash and cash equivalents and investments of \$159.523 million as at 31 December 2023 are held in the United Nations cash pool and cash held in the main and field offices. This represents an increase of \$13.120 million over the balance held at the end of 2022, primarily because of the increase in signed agreements and the receipt of large first instalments. In 2023, newly signed multi-year agreements for voluntary contributions amounted to \$159.336 million (2022: \$58.714 million).

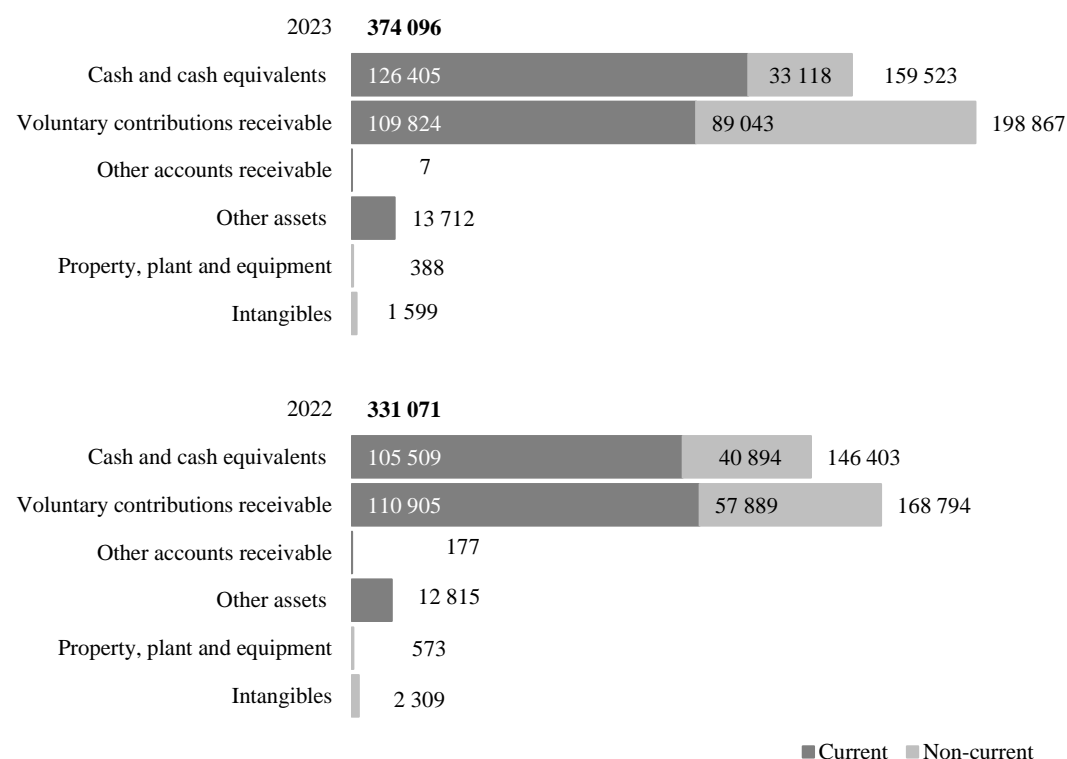
30. Under IPSAS, accounts receivable from voluntary contributions may be recognized in full on signature of an agreement, including amounts due in future financial periods. Of the total of \$198.867 million due as at 31 December 2023, \$109.824 million is expected to be received in 2024 and the balance of \$89.043 million is expected after 2024.

31. Overall, voluntary contributions receivable increased by \$30.073 million. The increase is mainly a result of the increase in the level of signed agreements (see figure IV.II). As noted in the figure below, short-term voluntary contributions receivable decreased from \$110.905 million to \$109.824 million while long-term

voluntary contributions receivable increased from \$57.889 million to \$89.043 million.

Figure IV.V
Summary of assets by fiscal year

(Thousands of United States dollars)



Liabilities

32. Liabilities as at 31 December 2023 totalled \$386.739 million compared with the balance as at 31 December 2022 of \$339.103 million.

33. Liabilities for conditional arrangements totalled \$212.205 million in 2023 (2022: \$172.298 million), representing a net increase of \$39.907 million, and 54.9 per cent of the Centre's total liabilities in 2023. Liabilities for conditional arrangements represent the portion of the contribution, mainly from the European Union, which has not been recognized as revenue since the related services had not yet been delivered by ITC as at 31 December 2023. A number of multi-year projects funded by the European Union were signed in 2023 and entered the implementation phase during 2023, resulting in an increase in conditional liability. Approximately \$109.016 million in new multi-year conditional agreements was signed during the year, while approximately \$59.692 million was delivered and recognized as revenue during the year.

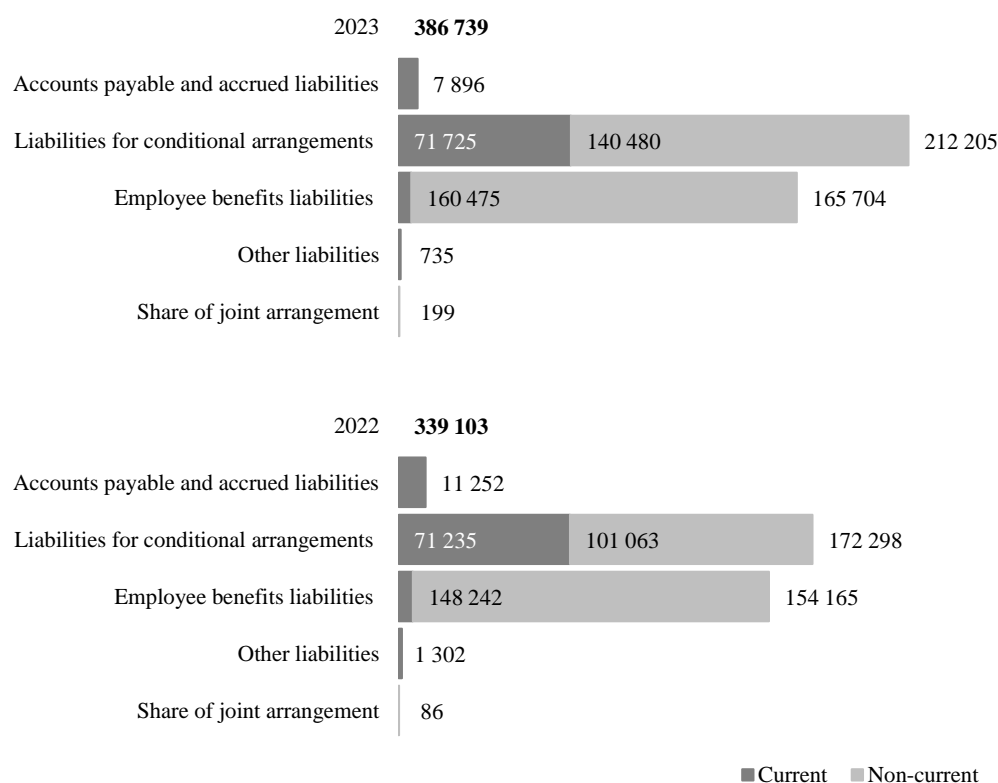
34. Another significant liability was for employee benefits earned by staff members and retirees. It accounted for \$165.704 million, representing 42.8 per cent of ITC total liabilities in 2023. This liability is fully explained in note 12 to the financial statements; however, its primary component is a liability for after-service health insurance of \$149.990 million, or 90.5 per cent of the total employee benefit liability. The increase of employee benefits liabilities by \$11.539 million is a result of a \$6.414 million net actuarial loss, recognized directly through net assets, and

\$5.870 million in current service costs and interest, net of benefit payments, recognized in the statement of financial performance as a component of staff costs, as well as a decrease in accrued salaries, allowances and benefits and home leave by \$0.745 million.

Figure IV.VI

Summary of liabilities by fiscal year

(Thousands of United States dollars)

**Net liabilities**

35. The movement in net liabilities during the year reflects an increase of \$4.611 million from \$8.032 million in 2022 to \$12.643 million in 2023. This is mainly attributable to: (a) the net loss in actuarial valuation of \$6.414 million; (b) the net surplus for the year of \$0.741 million; (c) ITC participation in jointly financed operations relating to safety and security, which is established under a binding agreement, with ITC reporting \$0.029 million in the net liabilities as its 2023 total share of the joint arrangement accounted for using the equity method; and (d) the net effect of the adoption of IPSAS 41 in 2023 related to fair value changes in investments recognized directly in net assets, which amounts to \$1.091 million. Operating reserves, which are part of net assets, increased from \$15.424 million in 2022 to \$20.271 million in 2023.

Liquidity position

36. As at 31 December 2023, the liquidity position of ITC was healthy. ITC had sufficient liquid assets to settle its current liabilities. Liquid assets totalled \$236.236 million (cash and cash equivalents of \$22.058 million, short-term investments of \$104.347 million and accounts receivable of \$109.831 million), whereas total current liabilities amounted to \$85.585 million and total liabilities amounted to \$386.739 million. ITC total cash and investment resources amounted to \$159.523 million.

37. The table below summarizes key liquidity indicators for the financial year ended 31 December 2023, with comparatives for the year ended 31 December 2022.

<i>Liquidity indicator</i>	<i>2023</i>	<i>2022</i>
Ratio of liquid assets to current liabilities	2.8:1	2.4:1
Ratio of liquid assets less accounts receivable to current liabilities	1.5:1	1.2:1
Ratio of liquid assets to total assets	0.6:1	0.7:1
Average months of liquid assets less accounts receivable on hand	9.6	8.0

38. The ratio of liquid assets to current liabilities indicates the ability of ITC to pay its short-term obligations from its liquid resources. The ratio of 2.8:1 indicates that current liabilities are covered 2.8 times by liquid assets, and therefore there are sufficient liquid assets available to fully pay current liabilities should the need arise. When accounts receivable are excluded from the analysis, the coverage of current obligations is at 1.5, which indicates that ITC can still cover current liabilities when relying on its assets that can be liquidated quickly, such as cash and cash equivalents and short-term investment. As at 31 December 2023, ITC liquid assets were 63 per cent of its total assets, and it held sufficient cash and cash equivalents and short-term investments to cover its estimated average monthly expenses of \$13.148 million for 10 months.

39. As at the reporting date, ITC had employee benefits liabilities of \$165.704 million. Total cash and cash equivalents and investments of \$159.523 million represent 96.3 per cent of the employee benefits liabilities although the liabilities are not expected to be covered immediately. Defined benefit liabilities pertaining to the regular budget have not been funded. The Centre accrues funding for repatriation grant and after-service health insurance obligations for staff from extrabudgetary resources; the funding position of actuarially valued liabilities as at 31 December 2023 was 38 per cent.

Budgetary comparison

40. The original budget is adopted in Swiss francs. The final budget takes into consideration the result of the changes in the exchange rate between Swiss francs and United States dollars that took place between the adoption of the original budget and the reporting date as well as the final appropriation approved by the United Nations. Budget comparison and reconciliation details have been disclosed in note 17 to the financial statements.

41. Statement V, Comparison of budget and actual amounts, compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. The comparison is made only in respect of the publicly available regular budget.

42. Pursuant to IPSAS 24: Presentation of budget information in financial statements, material differences between the final budget and actual expenses that are

greater than 10 per cent should be explained. There was no material variance between the final budget and actual expenses at the end of 2023 except for the variance of 51 per cent in other revenue of \$0.325 million. The increase is attributable mainly to bank interest income resulting from the higher interest rate environment.

F. Risk and uncertainty

43. The external funding environment is evolving, partly owing to the global economic impacts on Member States. Key changes include greater competition, a reprioritization in official development assistance, the decentralization of resource allocation decisions to programming countries, and the increasing weight of new development actors. With regard to the external factors, ITC plans its activities on the basis of the assumptions that: (a) extrabudgetary resources will remain stable; (b) political, economic and social conditions in programming countries will remain conducive for development interventions; and (c) international trade and investment conditions will not deteriorate significantly compared with 2023.

44. In 2022, ITC experienced a significant reduction in signed agreements for voluntary contributions, but in 2023 the value of signed agreements had almost returned to the 2018 level, which was the record. (2018: \$165 million; 2022: \$58.7 million; 2023: \$159.3 million). In future, ITC will continue to explore opportunities to further diversify and increase revenue sources.

45. Employee benefit liabilities accounted for \$165.704 million, representing 42.8 per cent of the Centre's total liabilities in 2023. ITC continues to apply a set of financial and non-financial measures, such as discretionary transfers as a reserve to cover the Centre's obligation, in an effort to deal with the uncertainty regarding the employee benefit liability trajectory.

Annex

Supplementary information

1. The present annex includes the information that the Executive Director is required to report.

Write-off of losses of cash and receivables

2. Pursuant to financial rule 106.7 (a), an amount of non-recoverable receivables equivalent to \$0.020 million was written-off during 2023.

Write-off of losses of property

3. Pursuant to financial rule 106.7 (a), property, plant and equipment comprising four items in the vehicles category, with a total acquisition cost of \$0.106 million, was written off owing to their donation at the end of a project.

Ex gratia payments

4. There were no ex gratia payments during 2023.

Chapter V

Financial statements for the year ended 31 December 2023

International Trade Centre

I. Statement of financial position as at 31 December 2023

(Thousands of United States dollars)

	Reference	31 December 2023	31 December 2022
Assets			
Current assets			
Cash and cash equivalents	Note 4	22 058	21 802
Investments	Note 5	104 347	83 707
Voluntary contributions receivable	Note 6	109 824	110 905
Other accounts receivable	Note 6	7	177
Other assets	Note 7	13 712	12 815
Total current assets		249 948	229 406
Non-current assets			
Investments	Note 5	33 118	40 894
Voluntary contributions receivable	Note 6	89 043	57 889
Property, plant and equipment	Note 8	388	573
Intangible assets	Note 9	1 599	2 309
Total non-current assets		124 148	101 665
Total assets		374 096	331 071
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	Note 10	7 896	11 252
Liabilities for conditional arrangements	Note 11	71 725	71 235
Other liabilities	Note 11	735	1 302
Employee benefits liabilities	Note 12	5 229	5 923
Total current liabilities		85 585	89 712
Non-current liabilities			
Liabilities for conditional arrangements	Note 11	140 480	101 063
Employee benefits liabilities	Note 12	160 475	148 242
Share of joint arrangement	Note 19	199	86
Total non-current liabilities		301 154	249 391
Total liabilities		386 739	339 103
Net of total assets and total liabilities		(12 643)	(8 032)
Net assets			
Accumulated deficit		(32 914)	(23 456)
Operating reserves	Note 14	20 271	15 424
Total net assets		(12 643)	(8 032)

The accompanying notes form an integral part of these financial statements.

International Trade Centre

II. Statement of financial performance for the year ended 31 December 2023

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Revenue			
Assessed contributions	Note 15	40 326	37 884
Voluntary contributions	Note 15	108 098	115 588
Other transfers and allocations	Note 15	3 145	1 622
Other revenue	Note 15	2 102	422
Investment revenue	Note 15	5 854	430
Total revenue		159 525	155 946
Expenses			
Employee salaries, allowances and benefits	Note 16	79 911	76 251
Non-employee compensation and allowances	Note 16	30 254	31 614
Travel	Note 16	9 542	7 458
Grants and other transfers	Note 16	8 724	7 847
Supplies and consumables	Note 16	698	583
Depreciation	Note 8	185	217
Amortization	Note 9	820	816
Other operating expenses	Note 16	25 001	30 692
Other expenses	Note 16	3 565	2 995
Share of joint arrangement	Note 19	84	(22)
Total expenses		158 784	158 451
Surplus/(deficit) for the year		741	(2 505)

The accompanying notes form an integral part of these financial statements.

International Trade Centre**III. Statement of changes in net assets for the year ended 31 December 2023**

(Thousands of United States dollars)

	<i>Accumulated surplus, restricted</i>	<i>Reserves</i>	<i>Total</i>
Net assets as at 1 January 2022	(56 947)	13 208	(43 739)
Actuarial gain on employee benefits liabilities (note 12)	38 165	—	38 165
Deficit for the year	(2 505)	—	(2 505)
Transfers (note 14)	(2 216)	2 216	—
Share of changes recognized in the net assets of joint arrangement (note 19)	47	—	47
Total recognized changes in net assets	33 491	2 216	35 707
Net assets as at 31 December 2022	(23 456)	15 424	(8 032)
Actuarial loss on employee benefits liabilities (note 12)	(6 414)	—	(6 414)
Surplus for the year	741	—	741
Transfers (note 14)	(4 847)	4 847	—
Share of changes recognized in the net assets of joint arrangement (note 19)	(29)	—	(29)
Fair value changes in investments recognized directly in net assets (note 15)	1 091	—	1 091
Total recognized changes in net assets	(9 458)	4 847	(4 611)
Net assets as at 31 December 2023	(32 914)	20 271	(12 643)

The accompanying notes form an integral part of these financial statements.

International Trade Centre

IV. Statement of cash flows for the year ended 31 December 2023

(Thousands of United States dollars)

	Reference	31 December 2023	31 December 2022
Cash flows from operating activities			
Surplus/(deficit) for the year		741	(2 505)
<i>Non-cash movements</i>			
Depreciation and amortization	Notes 8 and 9	1 005	1 033
Actuarial loss/gain on employee benefits liabilities	Note 12	(6 414)	38 165
Loss on disposal of assets	Notes 8 and 9	–	32
Loss/gain on share of joint arrangement	Note 19	(29)	47
Unrealized loss on cash pool revaluation	Note 15	1 091	–
<i>Changes in assets</i>			
(Increase)/decrease in voluntary contributions receivable	Note 6	(30 073)	50 564
Decrease/(increase) in other accounts receivable	Note 6	170	(51)
(Increase)/decrease in other assets	Note 7	(897)	(4 002)
<i>Changes in liabilities</i>			
(Decrease)/increase in accounts payable and accrued liabilities	Note 10	(3 356)	456
Increase/(decrease) in employee benefits liabilities	Note 12	11 539	(32 024)
Increase/(decrease) in liabilities for conditional arrangements	Note 11	39 907	(66 115)
(Decrease)/increase in other liabilities	Note 11	(567)	700
Increase/(decrease) in provision	Note 13	–	(212)
Increase/(decrease) in shares of joint arrangement	Note 19	113	(69)
Investment revenue presented as investing activities	Note 15	(5 854)	(430)
Net cash flows from/used in operating activities		7 376	(14 411)
Cash flows from investing activities			
Pro rata share of net increases in the cash pool	Note 5	(12 864)	18 319
Investment revenue presented as investing activities	Note 15	5 854	430
Acquisitions of property, plant and equipment	Note 8	–	(215)
Acquisitions of intangibles	Note 9	(110)	(113)
Net cash flows used in/from investing activities		(7 120)	18 421
Net increase in cash and cash equivalents		256	4 010
Cash and cash equivalents, beginning of year		21 802	17 792
Cash and cash equivalents, end of year	Note 4	22 058	21 802

The accompanying notes form an integral part of these financial statements.

International Trade Centre**V. Statement of comparison of budget and actual amounts for the year ended 31 December 2023**

(Thousands of United States dollars)

	Publicly available budget			Difference (percentage) ^d
	Original annual ^a	Final annual ^b	Actual (budget basis) ^c	
Revenue				
Assessed contributions from the United Nations	19 675	19 675	20 179	2.6
Assessed contributions from the World Trade Organization	19 675	19 675	20 179	2.6
Other revenue	216	216	325	50.5
Total revenue	39 566	39 566	40 683	2.8
Expenses				
Posts	31 002	31 002	31 742	2.4
Non-post	8 564	8 564	8 941	4.4
Total expenses	39 566	39 566	40 683	2.8
Surplus for the year	—	—	—	—

^a The original annual budget is the lower of the budget approved by the General Assembly (resolution [77/263](#)) or by the General Council of WTO (WT/BFA/198 and WT/GC/M/194).

^b The final annual budget is the same as the original as there was no subsequent decisions of the General Assembly or the General Council of WTO related to the 2023 ITC budget.

^c Actual expenditure reflects the amounts funded by regular budget contributions as well as miscellaneous income.

^d Actual expenditure (comparable budget basis) less final budget. Differences greater than 10 per cent and material are considered in the financial report of the Executive Director.

The accompanying notes form an integral part of these financial statements.

International Trade Centre
Notes to the financial statements

Note 1

Reporting entity

International Trade Centre and its activities

1. The International Trade Centre (ITC) is responsible for the business aspects of trade development, as the joint technical cooperation agency of the United Nations and the World Trade Organization (WTO). The mandate derives from the priorities established by the contracting parties to the General Agreement on Tariffs and Trade on 19 March 1964 and the General Assembly in its resolution 2297 (XXII) of 12 December 1967. Since 1 January 1968, ITC has operated under the joint auspices of the General Agreement/WTO and the United Nations. In its resolution 1819 (LV) of 9 August 1973, the Economic and Social Council reaffirmed the Centre's mandate as the focal point for technical assistance and cooperation activities for trade promotion within the United Nations system of assistance for developing countries.

2. The objective, to which ITC contributes, is to enhance inclusive and sustainable growth and development through trade and international business development for micro-, small and medium-sized enterprises in developing countries, in particular the least developed countries, and countries with economies in transition, through increased business capacities of those enterprises to trade and through a conducive business environment and strengthened institutional ecosystems for those enterprises. The Centre's work is demand driven and client oriented. ITC provides tailored support, aligned with national objectives, to grow trade opportunities for its client micro-, small and medium-sized enterprises, business support organizations and policymakers in developing and the least developed countries and to improve trade competitiveness, reduce poverty and strengthen economies.

3. ITC is headed by an Executive Director, who is appointed by and reports to the Director General of WTO and the Secretary-General of UNCTAD. A Senior Management Committee comprises the Executive Director, the Deputy Executive Director, the heads of the five ITC divisions, the Chief Adviser in the Office of the Executive Director and the Chief of Strategic Planning, Performance and Governance. The ITC programme of work is reviewed annually by the Joint Advisory Group, the main intergovernmental advisory forum of ITC, which is open to members of UNCTAD and WTO. The WTO General Council and the UNCTAD Trade and Development Board review the report and recommendations of the Joint Advisory Group annually. Both UNCTAD and WTO are represented in the Joint Advisory Group supervising the Centre's work and have a number of joint technical assistance activities with ITC.

4. The regular budget of ITC is jointly and equally financed by the United Nations and WTO, while technical cooperation projects are financed by voluntary contributions from trust fund donors and other inter-organizational arrangements and multi-donor initiatives. ITC is regarded as a separate reporting entity and is not deemed to be subject to common control for the purposes of IPSAS-compliant reporting.

5. ITC participates in a jointly financed activity with other United Nations system organizations. Its share of the activity is recognized in its financial statements using the equity method.

6. The headquarters of ITC is in Geneva, and it maintains leased offices in 32 countries.

Note 2**Basis of preparation and authorization for issue**

7. The accounts of ITC are maintained in accordance with the Financial Regulations of the United Nations as adopted by the General Assembly of the United Nations, the rules formulated by the Secretary-General as required under the Regulations and administrative instructions issued by the Under-Secretary-General for Management Strategy, Policy and Compliance or by the Controller. The financial statements of ITC are prepared on the accrual basis of accounting in accordance with IPSAS. In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of ITC, consist of the following:

- (a) Statement I: statement of financial position;
- (b) Statement II: statement of financial performance;
- (c) Statement III: statement of changes in net assets;
- (d) Statement IV: statement of cash flows using the indirect method;
- (e) Statement V: statement of comparison of budget and actual amounts;
- (f) Summary of significant accounting policies and other explanatory notes;
- (g) Comparative information in respect of all amounts presented in the financial statements indicated in subparagraphs (a) to (d) above and where relevant, comparative information for narrative and descriptive information presented in the notes to these financial statements.

Going concern

8. The financial statements have been prepared on a going-concern basis and the accounting policies, as summarized in note 3, have been applied consistently in the preparation and presentation of these financial statements. The going-concern assertion is based on the approval by the General Assembly and the General Council of WTO of the regular budget appropriations for fiscal year 2024, the positive historical trend of collection of assessed and voluntary contributions over the past years and that the General Assembly and the General Council of WTO have not made any decision to cease the operations of ITC.

Functional and presentation currency

9. The functional and presentation currency of ITC is the United States dollar. The financial statements are expressed in thousands of United States dollars unless otherwise stated.

10. The regular budget of ITC is approved and assessed in Swiss francs.

11. Transactions in currencies other than the functional currency (foreign currencies) are translated into United States dollars at the United Nations operational rate of exchange at the date of the transaction. The United Nations operational rates of exchange approximate the spot rates prevailing at the dates of the transactions. At year end, monetary assets and liabilities denominated in foreign currencies are translated at the United Nations operational rates of exchange. Non-monetary foreign currency denominated items that are measured at fair value are translated at the United Nations operational rate of exchange at the date on which the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not translated at year end.

12. Foreign exchange gains and losses resulting from the settlement of transactions in currencies other than the Centre's functional currency and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance on a net basis.

Materiality and use of judgment and estimation

13. Consideration of materiality is central to the development of accounting policies and the preparation of financial statements. In general, an item is considered material if its omission or its aggregation would affect the conclusions or decisions of the users of the financial statements.

14. The preparation of financial statements in accordance with IPSAS requires the use of estimates, judgments and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenue and expenses. Accounting estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include accruals; the selection of useful lives and the depreciation and amortization methods for property, plant and equipment and intangible assets; the impairment of assets; actuarial measurement of employee benefits; the classification of financial instruments and of contingent assets and liabilities; and inflation and discount rates used in the calculation of the present value of provisions.

Measurement basis

15. These financial statements are prepared using the historical-cost convention, except for investments held in the cash pool recorded at fair value through net assets and derivatives held at fair value through surplus and deficit. The financial statements are prepared for the year from 1 January to 31 December.

Authorization for issue

16. These financial statements are certified by the United Nations Assistant Secretary-General, Controller, and approved by the Secretary-General of the United Nations. In accordance with United Nations financial regulation 6.2 the Secretary-General is required to transmit these financial statements as at 31 December 2023 to the Board of Auditors by 31 March 2024. In accordance with financial regulation 7.12 the reports of the Board of Auditors are to be transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions, together with the audited financial statements.

Adoption of IPSAS 41

17. Effective 1 January 2023, the Centre adopted IPSAS 41: Financial instruments, which was issued in August 2018. The Standard replaced IPSAS 29: Financial instruments: recognition and measurement. It substantially improves the relevance of information for financial assets and financial liabilities by introducing:

- (a) Simplified classification and measurement requirements for financial assets;
- (b) A forward-looking impairment model;
- (c) A flexible hedge accounting model.

18. The changes from the initial adoption of the Standard are effective on that date, thus not requiring the restatement of the prior period amounts. As a result, the financial assets, financial liabilities, non-exchange and exchange receivables and

investment revenue as at 31 December 2022 presented in these financial statements have been accounted for in accordance with the accounting policies as stated in the 2022 financial statements.

New classification and measurement principles for financial assets

19. IPSAS 41 introduces a principles-based approach to the classification of financial assets and requires the use of two criteria: the entity's model for managing its financial assets and the contractual cash-flow characteristics of those assets. Depending on these criteria, financial assets are classified into the following categories: "financial assets at amortized cost", "financial assets at fair value through net assets/equity" or "financial assets at fair value through surplus or deficit".

20. On 1 January 2023, the application of the new criteria led to the reclassification of all cash pool investments previously held as "financial assets at fair value through surplus or deficit" to the "financial assets at fair value through net assets/equity" category. The fair value reserve was classified as accumulated surplus or deficit of net assets.

New impairment model

21. IPSAS 41 introduced a forward-looking impairment model based on expected credit losses over the lifetime of the financial asset. The expected credit losses take into account possible default events and the evolution of the credit quality of the financial assets. The new impairment model applies to all financial assets measured as "financial assets at amortized cost" or "financial assets at fair value through net assets/equity".

22. The following table shows the measurement categories under IPSAS 29 as applied to the 2022 financial statements and the new measurement categories under IPSAS 41 for the Centre's financial assets and receivables as at 1 January 2023. There were no changes to the measurement categories of the financial liabilities of the Centre.

(Thousands of United States dollars)

<i>Financial assets</i>	<i>Measurement category prior to the adoption of IPSAS 41</i>	<i>Net carrying amount as at 31 December 2022</i>	<i>Measurement category under IPSAS 41</i>	<i>Net carrying amount as at 1 January 2023</i>
Pro rata share of short-term investments in the cash pools (note 5)	FVSD	83 707	FVNAE	83 707
Pro rata share of long-term investments in the cash pools (note 5)	FVSD	40 894	FVNAE	40 894
Subtotal, financial assets reclassified from FVSD to FVNAE	FVSD	124 601	FVNAE	124 601
Cash and cash equivalents (investment pool) (note 5)	Amortized cost	21 792	Amortized cost	21 792
Cash and cash equivalents held at ITC (note 5)	Amortized cost	10	Amortized cost	10
Voluntary contributions receivable (note 6)	Amortized cost	168 794	Amortized cost	168 794
Subtotal, financial assets held at amortized costs		190 596		190 596

Abbreviations: FVNAE, financial assets at fair value through net assets/equity; FVSD, financial assets at fair value through surplus or deficit.

Future accounting pronouncements

23. The progress and impact of the following significant future IPSAS Board accounting pronouncements on the financial statements of ITC continue to be monitored:

(a) Natural resources: the IPSAS Board approved exposure draft 86, Exploration for and evaluation of mineral resources, which provides the accounting guidance related to the costs incurred in the exploration and evaluation of mineral resources, and exposure draft 87, Stripping costs in the production phase of a surface mine (amendments to IPSAS 12, Inventories), which provides guidance on how to account for costs incurred to remove waste material in a surface mining operation. The IPSAS Board agreed on revised recognition criteria and initial measurement proposals, consistent with the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities and IPSAS for tangible assets. The IPSAS Board also decided that guidance on natural resources should be in a stand-alone IPSAS;

(b) Public sector leasing issues: the IPSAS Board will continue its consideration of public sector-specific leasing issues, such as concessionary leases, in its “Other lease-type arrangements” project. The IPSAS Board decided to develop and then expose a stand-alone exposure draft with non-authoritative guidance on the remaining arrangements included in the request for information, concessionary and other arrangements similar to leases. The new exposure draft will complement exposure draft 84 and propose to update the most recent IPSAS on revenue and transfer expenses on this topic;

(c) The IPSAS Board reviewed the objectives, scope and conceptual foundations for the development of the draft climate-related disclosures standard for the public sector. The IPSAS Board emphasized the public sector specificities, including its main objective to deliver services, its role as a policy setter and regulator and its various responsibilities at different levels of government. The IPSAS Board sought feedback on technical topics and issues planned for consideration in March 2024 related to governance, strategy and risk management sections of the developing draft standard;

(d) Exposure draft 85, Improvements to IPSAS, 2023, proposes minor improvements to accrual basis IPSAS that arise through publications of the International Accounting Standards Board. The proposals in this exposure draft may be modified in the light of comments received before being issued in final form. Comments were due by 18 December 2023;

(e) The IPSAS Board agreed on a consultation paper on the presentation of financial statements that would explore an approach allowing different presentation approaches in IPSAS. The provision of different presentation approaches was supported on the basis of the increased flexibility that it would provide to public sector entities in order to provide a presentational approach more useful to the entities’ specific users. In breakout sessions, IPSAS Board members, technical advisers, observers and staff considered topics related to potential categorization and subtotals in the statement of financial performance.

Recent and future requirements of IPSAS

24. The IPSAS Board has issued the following standards, and their impact on the ITC financial statements and the comparative period therein has been evaluated to be as follows:

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 43	IPSAS 43: Leases, replaced IPSAS 13: Leases, aligning guidance with International Financial Reporting Standard 16. The newly issued standard introduces new contract and lease definitions and prescribes a right-of-use recognition and measurement model for all leases apart from those meeting short-term and low-value exemption categories. IPSAS 43 also provides additional guidance on the application of the risks and rewards model for lessor accounting. Adoption of the standard is mandatory for the financial year ending 31 December 2025. The impact of IPSAS 43, issued in January 2022, will continue to be assessed over the 2024 calendar year prior to the effective date of 1 January 2025.
IPSAS 44	IPSAS 44: Non-current assets held for sale and discontinued operations, promulgates accounting for assets held for sale and the presentation and disclosure requirements of discontinued operations, in alignment with International Financial Reporting Standard 5. Adoption of the standard is mandatory for the financial year ending 31 December 2025. The impact of IPSAS 44, issued in May 2022, will be assessed to prepare the Centre for its implementation prior to the effective date of 1 January 2025. Given the definitions and scope of non-current assets held for sale, the recognition and measurement impacts are preliminarily estimated as not significant for the Centre, as the presentation and disclosure changes will depend on the identification of discontinued operations, if any, in the future, starting on 1 January 2025.
IPSAS 45	IPSAS 45: Property, plant, and equipment, replaces IPSAS 17: Property, plant and equipment. IPSAS 45, issued in May 2023, removes the scope exclusion for heritage property, plant and equipment, provides application and implementation guidance on infrastructure assets and captures property, plant and equipment-related measurement impacts from IPSAS 46. The impact of IPSAS 45 will be assessed prior to the effective date of 1 January 2025.
IPSAS 46	<p>IPSAS 46: Measurement, is the IPSAS Board's first measurement-dedicated standard, which draws upon International Financial Reporting Standard 13: Fair value measurement, with the addition of public sector-specific elements, including the current operational value measurement basis.</p> <p>The impact of IPSAS 46, issued in May 2023, will be assessed prior to the effective date of 1 January 2025. The adoption of IPSAS 46 is not expected to change the Centre's accounting policy choice applying the historical cost model to tangible and intangible assets.</p>
IPSAS 47	<p>IPSAS 47: Revenue, replaces the three existing revenue standards:</p> <ul style="list-style-type: none"> (a) IPSAS 9: Revenue from exchange transactions; (b) IPSAS 11: Construction contracts; (c) IPSAS 23: Revenue from non-exchange transactions (taxes and transfers). <p>IPSAS 47 aligns with the IPSAS Board's Conceptual Framework and presents two accounting models based on the existence of a binding arrangement. Where a binding arrangement exists, revenue accounting is aligned with International Financial Reporting Standard 15: Revenue from contracts with customers.</p> <p>Adoption of the standard is mandatory for the financial reporting for the year ending 31 December 2026. The impact of IPSAS 47, issued in May 2023, will be assessed prior to the effective date of the Standard, 1 January 2026.</p>

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 48	<p>IPSAS 48: Transfer expenses, provides guidance on accounting for transfer expenses. The transfer expense model aligns with the Conceptual Framework and presents two accounting models based on the existence of a binding arrangement.</p> <p>Adoption of the standard is mandatory for the financial year ending 31 December 2026. The impact of IPSAS 48, issued in May 2023, will be assessed prior to the effective date of the Standard, 1 January 2026.</p>
IPSAS 49	<p>IPSAS 49: Retirement benefit plans, aligns with International Accounting Standard 26: Accounting and reporting by retirement benefit plans, and prescribes the accounting and reporting requirements for public sector retirement benefit plans, which primarily provide benefits to retired public sector employees. A retirement benefit plan that prepares and presents financial statements under the accrual basis of accounting shall apply IPSAS 49. The Standard does not deal with other forms of employment benefits such as employment termination benefit or health and welfare plans.</p> <p>Adoption of the standard is mandatory for the financial year ending 31 December 2026. The detailed impact of IPSAS 49, approved in September 2023, will be assessed prior to the effective date of the Standard, 1 January 2026.</p>

Note 3 **Significant accounting policies**

Assets

Financial assets

Classification

25. ITC classifies its financial assets as follows:

- (a) Cash and cash equivalents (including those held in the central cash pool) at amortized cost;
- (b) Investments (held in the main cash pool managed by the United Nations Treasury, which centrally invests these funds on behalf of ITC) at fair value through net assets/equity;
- (c) Receivables at amortized cost.

26. ITC determines the classification of its financial assets at initial recognition.

27. The main cash pool comprises participating entities' shares of cash and term deposits and short-term and long-term investments, all of which are managed by the United Nations Treasury. The ITC share of the main cash pool is disclosed in the notes to the financial statements and in the statement of financial position, categorized as investments at fair value through net assets/equity or as cash and cash equivalents if they had original maturities of less than three months. Detailed information on the holdings of the main cash pool may be obtained from the financial statements of the United Nations.

Recognition and measurement of financial assets held in the main cash pool

28. With the adoption of IPSAS 41, financial assets held in the main cash pool have been reclassified to fair value through net assets after an assessment of their contractual cash flow characteristics as well as the determination of the Organization's management model of such financial assets, which is to both collect

contractual cash flows and sell the financial assets. These assets are measured at fair value at each reporting date, and any gains or losses arising from changes in the fair value are presented in the statement of net assets in the year in which they arise.

Recognition and measurement of receivables

29. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. ITC receivables comprise contributions receivable and other accounts receivable recognized in the statement of financial position. These receivables are stated at nominal value, less impairment for estimated irrecoverable amounts, that is, as the allowance for expected credit losses. If deemed material, long-term voluntary contribution receivables that will mature in more than 12 months are reported at net present value discounted using the effective-interest method.

Impairment of receivables

30. ITC utilizes a forward-looking impairment model based on expected credit losses over the lifetime of the financial asset. The expected credit losses take into account possible default events and the evolution of the credit quality of the financial assets. The new impairment model applies to all financial assets measured as “financial assets at amortized cost” or “financial assets at fair value through net assets/equity”.

Voluntary contribution receivables

31. Voluntary contribution receivables have distinct characteristics compared with conventional receivables classified as financial assets. These distinctions include:

(a) Variability in amounts: owing to the voluntary nature, the amounts associated with voluntary contribution receivables can vary, as they may fluctuate on the basis of future funding requirements for project implementation and the intentions of donors;

(b) Flexible due date: due dates for voluntary contribution receivables are highly adaptable and subject to adjustment in alignment with the progress of the related project implementation.

32. The inherent variability of the pledged amounts and the flexibility of due dates pose substantial challenges in formulating a reasonable estimation of loss allowance for voluntary contribution receivables. The historical amount of write-off instances over the aggregate value of voluntary contribution receivables is relatively small. The Organization has therefore assessed loss allowance on voluntary contributions on a case-by-case basis, creating a 100 per cent loss allowance for delinquent receivables that are identified as uncollectible.

Receivables from exchange transactions: other receivables

33. Other receivables primarily include amounts receivable for goods or services provided to other entities, amounts receivable for leased-out assets and receivables from staff. Receivables from other United Nations entities are also included in this category.

34. Other receivables are categorized by customer types with homogeneous characteristics, such as with the same debt settlement patterns. The evolution of the outstanding balances is assessed over a period of years to determine the historical transition rate of outstanding balances. The transition rate is reassessed at the end of each reporting period and applied to the exposure balance to determine the loss allowance.

Advances or prepayments

35. Advances are recognized as an asset until goods are delivered or services are rendered in accordance with binding agreements with suppliers or in accordance with the Staff Regulations and Rules of the United Nations for staff advances. ITC recognizes an expense once it has received proof of the delivery of goods or the rendering of services.

36. ITC advances funds to implementing partners (e.g. other United Nations system organizations and trade support institutions) to provide services to a target population in accordance with binding agreements with ITC. The implementing partner reports to ITC on its progress towards fulfilling the project or programme for which the agreement was signed. Expenses are recognized on receipt of expenditure or service delivery reports. In accordance with the recommendation of the Board of Auditors, the net portion of any advances not yet delivered will be taken to expense at year end except for the grants that ITC has effective control over.

Property, plant and equipment

37. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition and the initial estimate of dismantling and site restoration costs. Assets that fall under the category of property, plant and equipment but are not under the direct control of ITC are expensed when acquired. ITC is deemed to control an asset if it can obtain future economic benefits from its use in the pursuit of its objectives and can exclude or regulate the access of third parties to the asset.

38. Property, plant and equipment are capitalized when their cost is greater than or equal to \$5,000 for equipment and \$100,000 for leasehold improvements. No threshold is applied for vehicles, prefabricated buildings, satellite communications systems, generators and network equipment.

Subsequent costs

39. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to ITC and the subsequent costs can be measured reliably.

Depreciation of property, plant and equipment

40. Depreciation is recognized for property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives for property, plant and equipment classes are set out below.

41. As with other accounting estimates and underlying assumptions, estimated useful life assumptions are reviewed on an ongoing basis. Changes in accounting estimates result from new information, new developments or more experience, such as adjustment of the periodic consumption of an asset that results from the assessment of the present status of, and expected future benefits associated with, assets. Such changes are accounted for as a change in the accounting estimate. It is recognized prospectively by including it in surplus or deficit in the period of change and future periods if the change affects both. Such prospective recognition is applied to transactions, other events and conditions from the date of the change in estimate.

42. Following recommendations of the Board of Auditors received by several United Nations system entities to review the useful lives of all classes of assets, the Task Force on Accounting Standards, which reports to the United Nations system

entities, carried out a system-wide survey on the useful lives of assets. As a result of the exercise, the updated useful lives have been applied to the Centre's property, plant and equipment prospectively starting on 1 January 2023. The 2022 review of estimated useful lives had the objective of determining if, on the basis of Umoja data and experience to date, revising useful life assumptions for future asset acquisitions would in the future provide more relevant and reliable information. The revised estimated useful lives of property, plant and equipment classes are set out below.

<i>Asset class</i>	<i>Asset subclass</i>	<i>Estimated useful life (years)</i>
Communications and information technology equipment	Information technology equipment	4–5 ^a
	Communications equipment	7–8 ^a
	Audiovisual equipment	7–10 ^a
Vehicles	Light wheeled vehicles	6–7 ^a
Machinery and equipment	Light engineering and construction equipment	5–8 ^a
	Medical equipment	5–6 ^a
	Security and safety equipment	5–6 ^a
Furniture and fixtures	Office equipment	4–5 ^a
	Furniture	10
	Fixtures and fittings	7–10 ^a
Leasehold improvements	Minor construction work	5 (shorter of lease term or 5 years)

^a Estimated useful lives for the above subclasses were increased in 2023, following the review of the estimates of the periods over which asset subclasses are expected to be available for use.

43. Impairment reviews are undertaken for property, plant and equipment at least annually and any impairment losses are recognized in the statement of financial performance. The residual values and useful lives of assets are reviewed at least annually and adjusted if applicable.

44. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from the carrying amount. Those gains or losses are recognized in the statement of financial performance within other revenue or other expenses.

Intangible assets

45. Intangible assets are valued at historical cost less accumulated amortization and any impairment losses. Externally acquired software is capitalized if its cost exceeds \$5,000, including costs incurred to acquire and bring the software to use. Internally developed software is capitalized where the accumulated cost is equal to or greater than \$100,000, excluding research and maintenance costs and including directly attributable costs such as employees, subcontractors and consultants.

Amortization of intangible assets

46. Amortization of intangible assets is recognized over their estimated useful lives using the straight-line method. The estimated useful lives for intangible asset classes are as follows:

<i>Class</i>	<i>Estimated useful life (years)</i>
Software developed internally	5

47. Impairment reviews are undertaken for all intangible assets at least annually and any impairment losses are recognized in the statement of financial performance.

Liabilities

Financial liabilities

48. Financial liabilities are classified as “other financial liabilities”. They include accounts payable, transfers payable, unspent funds held for future refunds and other liabilities.

49. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with a duration of less than 12 months are recognized at their nominal value. ITC re-evaluates the classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled or expired. The adoption of IPSAS 41 involves no change in the classification and measurement of the financial liabilities of the Centre.

50. Accounts payable and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. They are stated at invoice amounts, less payment discounts as at the reporting date. Payables are measured at their nominal value if classified as current liabilities, or at the fair value if classified as non-current liabilities.

Employee benefits liabilities

51. ITC recognizes the employee benefits described in the following paragraphs.

Short-term employee benefits

52. Short-term employee benefits comprise first-time employee benefits (assignment grants), regular daily, weekly and monthly benefits (wages, salaries, allowances), compensated absences (paid sick leave, maternity and paternity leave) and other short-term benefits (education grant, reimbursement of taxes, death benefit and home leave travel) provided to current employees on the basis of services rendered. Short-term employee benefits are expected to be settled within 12 months of the reporting date and are measured at their nominal values based on accrued entitlements at current rates of pay. All short-term employee benefits that are earned but not paid at the reporting date are recognized as current liabilities in the statement of financial position. Some employees are entitled to home leave every 12 months and others every 24 months; the benefit is classified as a short-term and long-term benefit under IPSAS. However, for practical purposes, the Centre has decided to treat the entire home leave benefit as a short-term benefit. The calculation, presentation and disclosure of benefits and any liabilities will therefore follow the guidance for short-term employee benefits.

Post-employment benefits

53. Post-employment benefits comprise after-service health insurance, end-of-service repatriation benefits and a pension through the United Nations Joint Staff Pension Fund.

Defined benefit plans

54. The following benefits are accounted for as defined benefit plans: after-service health insurance, repatriation benefits, pensions through the United Nations Joint Staff Pension Fund (post-employment benefits) and accumulated annual leave that is commuted to cash upon separation from the Centre (other long-term benefit).

The liability recognized for the post-employment benefit plans is the present value of the defined benefit obligations as at the reporting date. Defined benefit plans are those where the obligation of ITC is to provide agreed benefits and therefore ITC bears the actuarial risks. The liability for defined benefit plans is measured at the present value of the defined benefit obligation. Changes in the liability for defined benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. ITC has chosen to recognize changes in the liability for defined benefit plans from actuarial gains and losses directly through the statement of changes in net assets. At the end of the reporting year, ITC did not hold any plan assets as defined in IPSAS 39: Employee benefits.

55. The defined benefit obligations are calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds with maturity dates approximating those of the individual plans.

After-service health insurance

56. Coverage for the medical expenses of eligible former staff members and their dependants is provided through after-service health insurance. At the end of service, staff members and their dependants may elect to participate in a defined benefit health insurance plan of ITC, provided that they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007 and 5 years for those recruited before that date. The after-service health insurance liability represents the present value of the share of the Centre's medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the after-service health insurance valuation is to consider contributions from all plan participants in determining the Centre's residual liability. Contributions from retirees are deducted from the gross liability, together with a portion of the contributions from active staff, to arrive at the Centre's residual liability in accordance with cost-sharing ratios authorized by the General Assembly.

Repatriation benefits

57. At the end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to a repatriation grant, which is based on length of service, and travel and removal expenses. A liability is recognized from when the staff member joins the Centre and is measured as the present value of the estimated liability for settling these entitlements.

Annual leave

58. The liabilities for annual leave represent unused accumulated leave days that are projected to be settled through a monetary payment to employees upon their separation from ITC. The Centre recognizes as a liability the actuarial value of the total accumulated unused leave days of all staff members, up to a maximum of 60 days (18 days for temporary staff) as at the date of the statement of financial position. The methodology applies a last-in, first-out assumption in the determination of the annual leave liabilities, whereby staff members gain access to current period leave entitlements before gaining access to accumulated annual leave balances relating to prior periods. Effectively, access to the accumulated annual leave benefit is gained more than 12 months after the end of the reporting period in which the benefit arose and, overall, there is an increase in the level of accumulated annual leave days, pointing to the commutation of accumulated annual leave to a cash settlement at the end of service as the true liability of ITC. The accumulated annual leave benefit

reflecting the outflow of economic resources from ITC at the end of service is therefore classified under the category of other long-term benefits, while noting that the portion of the accumulated annual leave benefit that is expected to be settled through monetary payment within 12 months after the reporting date is classified as a current liability. In line with IPSAS 39: Employee benefits, other long-term benefits must be valued similarly to post-employment benefits; therefore, ITC values its accumulated annual leave benefit liability as a defined, post-employment benefit that is actuarially valued.

59. Accrued liabilities for the post-employment benefits of after-service health insurance, the repatriation grant and accumulated annual leave are shown as employee benefits liabilities in the statement of financial position and the statement of changes in net assets.

Appendix D benefits

60. Appendix D to the Staff Regulations and Rules of the United Nations governs compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. Those liabilities are valued by actuaries.

Other long-term employee benefits

61. Other long-term employee benefits obligations are benefits that do not fall due wholly within 12 months after the end of the year in which the employee renders the service giving rise to the benefit. Accumulated annual leave is an example of a long-term employee benefit.

Termination benefits

62. Termination benefits are recognized as an expense only when ITC is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits to be settled within 12 months are reported at the amount expected to be paid. Where termination benefits fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

United Nations Joint Staff Pension Fund

63. ITC is a participant in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The 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.

64. 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. ITC and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the Centre's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Therefore, ITC has treated the plan as if it were a

defined contribution plan in line with the requirements of IPSAS 39: Employee benefits. The contributions of ITC to the Fund during the financial year are recognized as expenses in the statement of financial performance.

Provisions

65. Provisions are liabilities recognized for future expenditure of uncertain amount or timing when there is a present legal or constructive obligation, as a result of a past event, and it is probable that ITC will be required to settle the obligation and the value can be estimated reliably. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation as at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount required to settle the obligation.

Operating leases

66. Leases where the lessor retains a significant portion of the risks and rewards inherent in ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of financial performance as an expense on a straight-line basis over the period of the lease. Donated right-to-use arrangements are accounted for as operating leases or finance leases, depending on whether an assessment of the agreement indicates that control over the underlying assets is transferred to the Centre. The threshold for recognition and measurement of donated right-to-use premises in the financial statements is \$5,000 per discrete donated right-to-use arrangement per year. Where a donated right-to-use arrangement is treated as an operating lease, an expense and corresponding revenue equal to the annual rental value of the asset or similar property are recognized in the financial statements.

Contingent liabilities and contingent assets

Contingent liabilities

67. Any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ITC or where value cannot be reliably estimated are disclosed as contingent liabilities. Provisions and contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become more or less probable. If it becomes more probable that an outflow of resources embodying economic benefits or service potential will be required, a provision is recognized in the financial statements of the year in which the change of probability occurs. Similarly, if it becomes less probable that such an outflow will be required, a contingent liability is disclosed in the notes to the financial statements.

Contingent assets

68. Any possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the effective control of ITC are disclosed as contingent assets in the notes when it is more likely than not that economic benefits will flow to ITC.

Revenue

Non-exchange revenue and receivables

69. The administrative arrangements of ITC (see [A/59/405](#)) provide that the budget of ITC must be equally shared by WTO and the United Nations. Assessed contributions from the United Nations and WTO to the regular budget of ITC are recognized at the beginning of the year to which the assessment relates. The revenue is determined based on the annual budget of the United Nations and biennial budget of WTO. In the event that the General Assembly and the General Council of WTO approve different amounts, ITC assesses the lower of the two amounts.

70. Voluntary contributions are recognized as revenue upon the signing of a binding agreement that does not contain conditions requiring specific performance and an obligation to return the assets to the contributing entity if such conditions are not met. If such conditions are included, revenue is recognized as the conditions are satisfied and a liability is recognized until the conditions have been satisfied.

71. The full amounts relating to unconditional multi-year voluntary contribution agreements, pledges and other promised donations are recognized as revenue when the arrangement becomes binding, except for the Junior Professional Officer programme. In the case of the Junior Professional Officer programme revenue is recognized as deferred revenue for the contributions pledged or received that pertain to contracts of Junior Professional Officers relating to future years.

72. ITC receives a rental subsidy from the Fondation des immeubles pour les organisations internationales. The amount of the rental subsidy is recognized for each financial period during the lease period. It represents the difference between the market value of the rent and the actual rent paid. The valuation is based on the data published on an independent real estate website for Switzerland.

73. In-kind contributions of goods above the recognition threshold of \$5,000 (per discrete contribution) are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the Centre and the fair value of those assets can be measured reliably. Contributions in kind are initially measured at their fair value at the date of receipt determined by reference to observable market values or by independent appraisals. The Centre has elected not to recognize in-kind contributions of services, but to disclose in-kind contributions of service above the threshold of \$5,000 per discrete contribution in the notes to the financial statements.

74. An indirect cost recovery called a “programme support cost” is charged to extrabudgetary funds as a percentage of direct costs to ensure that the additional costs of supporting activities financed from extrabudgetary contributions are not borne by assessed contributions of the Centre. The programme support cost is eliminated for the purposes of financial statement preparation. The funding for the programme support cost charge agreed upon with the donor is included as part of voluntary contributions.

Exchange revenue

75. Revenue from the sale of publications is recognized upon acceptance by the customer. Licence fee revenue is recognized over the period of the licence. Revenue from rendering services to governments and other entities is recognized as services are performed in accordance with the agreements.

Investment revenue

76. Investment revenue includes the ITC share of net cash pool revenue earned in the main cash pool managed by the United Nations Treasury, which centrally invests the funds on behalf of ITC and other interest revenue. Net cash pool revenue includes

any gains and losses on the sale of investments, which are calculated as the difference between the sales proceeds and the book value. Transaction costs that are directly attributable to the investment activities are netted against revenue, and the net revenue is distributed proportionately to all cash pool participants on the basis of their average daily balances. Unrealized market gains and losses are reported under the statement of net assets in accordance with IPSAS 41.

Expenses

77. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered and services are rendered regardless of the terms of payment. Grants to end beneficiaries of up to \$30,000 are considered transfers, and an expense is recognized at the point at which ITC has a binding obligation to pay.

Segment reporting

78. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and for making decisions about the future allocation of resources. ITC is a joint agency of WTO and the United Nations, fully dedicated to supporting the internationalization of small and medium-sized enterprises. This means that the agency enables small and medium-sized enterprises in developing and transition economies to become more competitive and connect to international markets for trade and investment, thus raising incomes and creating job opportunities especially for women, young people and poor communities. It therefore falls into one operating segment for IPSAS purposes.

Joint arrangement

79. A joint arrangement is an arrangement in which two or more parties have joint control. The parties are bound by a binding arrangement which gives two or more of those parties joint control of the arrangement. A joint arrangement can be classified under IPSAS 37: Joint arrangements, as one of the following:

(a) A joint operation whereby the participants of the arrangement (with or without joint control of the arrangement) recognize their share of the assets, liabilities, revenues and expenses in accordance with the IPSAS standard applicable to the particular assets, liabilities, revenues and expenses;

(b) A joint venture whereby the parties to the arrangement have rights to the net assets and the entity accounts for its share using the equity method. The equity method initially records the interest at cost and adjusts it thereafter for the post-acquisition changes in the entity's share of the net assets. The entity's share of the surplus or deficit of the joint arrangement is recognized in the statement of financial performance. Interest in a joint venture is recorded as a non-current asset unless there is a net liability position, in which case it is recorded as a non-current liability.

Related party disclosures

80. Related parties that have the ability to control or exercise significant influence over ITC in making financial and operating decisions, as well as transactions with such parties, unless occurring within or consistent with a normal relationship and on arms-length terms between such parties, are disclosed in the notes to the financial statements. In addition, ITC discloses specific transactions with key management personnel and their family members.

Operating reserves

81. The trust fund operating reserve of ITC is maintained to cover delays in payment of voluntary contributions and to meet shortfalls of revenue over final expense of trust funds based on an assessment of the financial risks and needs associated with the ITC trust fund operations. In addition, an operating reserve is also maintained in the programme support fund at an amount equal to 20 per cent of estimated support cost revenue in accordance with administrative instruction [ST/AI/286](#). Both these reserves are presented in the statement of financial position and statement of changes in net assets as a separate component of net assets.

Note 4

Cash and cash equivalents

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Main cash pool	22 048	21 792
Cash held in main and field offices	10	10
Total cash and cash equivalents	22 058	21 802

82. Cash required for immediate disbursement is maintained in the main cash pool. Cash in the main office and field locations is held for meeting immediate financial needs at those locations. The proportion of cash and investments is a result of the investment decisions of the United Nations Treasury. Detailed information on the holdings of the main cash pool may be obtained from the financial statements of the United Nations.

Note 5

Financial instruments and financial risk management

(Thousands of United States dollars)

	31 December 2023	31 December 2022 ^a
Financial assets		
Fair value through net assets/equity^b		
1. Investments, main cash pool (short term)	104 347	83 707
2. Investments, main cash pool (long term)	33 118	40 894
Total fair value through net assets/equity	137 465	124 601
Cash and cash equivalents and receivables held at amortized cost		
3. Cash and cash equivalents, main cash pool (note 4)	22 048	21 792
4. Cash and cash equivalents, other (note 4)	10	10
5. Accounts receivable (note 6)	198 867	168 794
Total amortized cost of financial assets	220 925	190 596
Total carrying amount of financial assets	358 390	315 197
Financial assets held in main cash pool (1 + 2 + 3) payable to ITC	159 513	146 393

	31 December 2023	31 December 2022 ^a
Financial liabilities held at amortized cost		
Accounts payable and accrued liabilities (note 10)	7 896	11 252
Total carrying amount of financial liabilities	7 896	11 252

^a Restated to conform to current presentation.

^b Financial assets were held at fair value through surplus or deficit in 2022.

83. The increase in cash and cash equivalents and short-term and long-term investments is attributable to the increase in signed agreements and the receipt of large first instalments. In 2023, newly signed multi-year agreements for voluntary contributions amounted to \$159.336 million (2022: \$58.714 million).

84. In addition to directly held cash and cash equivalents and investments, ITC participates in the United Nations Treasury main pool. The main pool comprises operational bank account balances in a number of currencies and investments in United States dollars.

85. Pooling the funds has a positive effect on overall investment performance and risk because of economies of scale and the ability to spread yield curve exposures across a range of maturities. The allocation of cash pool assets (cash and cash equivalents, short-term investments and long-term investments) and revenue is based on each participating entity's principal balance.

86. As at 31 December 2023, ITC participated in the main pool, which held total assets of \$11,548.7 million (2022: \$11,873.8 million), of which \$159.5 million was due to ITC (2022: \$146.4 million), comprising short-term and long-term investments of \$137.5 million (2022: \$124.6 million) and cash and cash equivalents of \$22 million (2022: \$21.8 million). Its share of revenue from the main pool was \$6.4 million (2022: \$0.620 million) (see note 15).

Summary of assets and liabilities of the main pool as at 31 December

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Fair value through net assets/equity^a		
Short-term investments	7 554 712	6 789 427
Long-term investments	2 397 703	3 316 889
Total fair value through net assets/equity^a	9 952 415	10 106 316
Cash and cash equivalents and receivables held at amortized cost		
Cash and cash equivalents	1 485 897	1 707 288
Accrued investment revenue	110 348	60 265
Total amortized cost of financial assets	1 596 245	1 767 553
Total carrying amount of financial assets	11 548 660	11 873 869

	31 December 2023	31 December 2022
Cash pool liabilities		
Payable to ITC	159 513	146 393
Payable to other cash pool participants	11 389 147	11 727 476
Total liabilities	11 548 660	11 873 869
Net assets	–	–

^a In 2022, fair value through surplus or deficit.

Summary of revenue and expenses of the main pool

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Investment revenue	488 377	178 646
Unrealized gains/(loss)	–	(137 034)
Investment revenue from main pool^a	488 377	41 612
Foreign exchange gains/(loss)	9 194	(7 670)
Bank fees	(808)	(772)
Operating gains/(losses) from main pool	8 386	(8 442)
Revenue from main pool	496 763	33 170

^a The ITC share of unrealized gain of \$0.495 million from the main cash pool mark to market revaluation is reported under the statement of net assets in accordance with IPSAS 41 in 2023. In 2022, the corresponding unrealized loss of \$1.586 million was included as part of the investment revenue from the main cash pool.

Financial risk management

87. The operations of ITC expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The United Nations Treasury is responsible for investment and risk management for the main pool, including conducting investment activities in accordance with the Investment Management Guidelines.

88. The objective of investment management is to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on the investment pool. Investment quality, safety and liquidity are emphasized over the market rate of return component of the objectives.

89. An investment committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates thereto.

Financial risk management: credit risk

90. Credit risk refers to the risk that a counterparty to a financial instrument will default on its contractual obligations, resulting in a financial loss to ITC. Credit risk arises from cash and cash equivalents, investments and deposits with financial institutions, as well as credit exposures to outstanding receivables. The carrying value of financial assets equates to the maximum exposure to credit risk as at the balance date. ITC does not hold any collateral as security.

91. The Investment Management Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible main pool investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The main pool does not invest in derivative instruments such as asset-backed and mortgage-backed securities or equity products.

92. The Guidelines require that investments are not to be made in issuers whose credit ratings are below specifications and also provide for maximum concentrations with given issuers. These requirements were met at the time the investments were made.

93. The credit ratings used for the main pool are those determined by major credit-rating agencies; S&P Global, Moody's and Fitch are used to rate bonds, certificates of deposit and discounted instruments, and the Fitch viability rating is used to rate bank term deposits. At year end, the credit ratings were as shown in the table below.

Investments of the cash pool by credit ratings as at 31 December

(Percentage based on carrying value)

Main pool					Ratings as at 31 December 2023					Ratings as at 31 December 2022				
Bonds (long-term ratings)					Bonds (long-term ratings)					Bonds (long-term ratings)				
	AAA	AA+/AA-/AA	n/a			AAA/AAAu	AA+u/AA+/AA	n/a			AAA/AAAu	AA+u/AA+/AA	n/a	
S&P Global	37.1	62.9			S&P Global	33.8	65.9	0.3		S&P Global	37.1	62.9		
	AAA	AA+/AA/AA-	A+	n/a/NR		AAA	AA+/AA/AA-	A+	n/a/NR		AAA	AA+/AA/AA-	A+	n/a/NR
Fitch	28.4	53.5	1.3	17.0	Fitch	61.9	22.5	0.2	15.4	Fitch	28.4	53.5	1.3	17.0
	Aaa	Aa1/Aa2/Aa3	n/a			Aaa	Aa1/Aa2/Aa3	n/a			Aaa	Aa1/Aa2/Aa3	n/a	
Moody's	61.9	30.5	7.6		Moody's	66.7	30.9	2.4		Moody's	61.9	30.5	7.6	
Commercial paper/certificates of deposit (short-term ratings)					Commercial paper/certificates of deposit (short-term ratings)					Commercial paper/certificates of deposit (short-term ratings)				
	A-1+/A-1					A-1+/A-1					A-1+/A-1			
S&P Global	100.0				S&P Global	100.0				S&P Global	100.0			
	F1+/F1	NR				F1+/F1	NR				F1+/F1	NR		
Fitch	98.8	1.2			Fitch	97.7	2.3			Fitch	98.8	1.2		
	P-1/P2					P-1/P2					P-1/P2			
Moody's	100.0				Moody's	100.0				Moody's	100.0			
Term deposits (Fitch viability ratings)					Term deposits (Fitch viability ratings)					Term deposits (Fitch viability ratings)				
	aa/aa-	a+/a/a-				aa/aa-	a+/a/a-				aa/aa-	a+/a/a-		
Fitch	23.8	76.2			Fitch	35.9	64.1			Fitch	23.8	76.2		

Abbreviations: n/a, not applicable; NR: not rated.

94. The United Nations Treasury actively monitors credit ratings and, given that investments are only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Credit risk: contributions receivable and other accounts receivable

95. A large portion of the contributions receivable is due from sovereign Governments and supranational agencies, including other United Nations entities that do not have significant credit risk. The maximum exposure to credit risk of financial assets equals their carrying amount. As at the reporting date, the Centre held no collateral as security for receivables.

Credit risk: loss allowance

96. The Centre uses the simplified approach to evaluate the lifetime expected credit loss at each reporting date. The loss allowance is established on the basis of the historical loss rate and the exposure balance at the end of the year for each financial assets category. Management-approved write-offs under the Financial Regulations and Rules or reversals of previously impaired receivables are recognized directly in the statement of financial performance.

Financial risk management: liquidity risk

97. Liquidity risk is the risk that ITC might not have adequate funds to meet its obligations as they fall due. Cash flow forecasting is performed by ITC in conjunction with the United Nations Office at Geneva, which monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs.

98. Surplus cash held by ITC above the balance required for working capital management is transferred to the main cash pool managed by the United Nations Treasury. The main cash pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within a day's notice to support operational requirements. The main pool liquidity risk is therefore considered to be low.

Financial risk management: interest rate risk

99. Interest rate risk is the risk of variability in the fair values or future cash flows of financial instruments due to a change in interest rates. In general, as the interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the duration of the fixed-rate security, with duration being a number expressed in years. The longer the duration, the greater the interest rate risk.

100. The main pool comprises the main exposure of ITC to interest rate risk, with fixed-rate cash and cash equivalents and investments being interest-bearing financial instruments. As at the reporting date, the main pool had invested primarily in securities with shorter terms to maturity, with the maximum being less than four years (2022: five years). The average duration of the main pool was 0.65 years (2022: 0.77 years), which is considered to be an indicator of low risk.

101. The table below provides an analysis of how the fair value of the main pool as at the reporting date would increase or decrease should the overall yield curve shift in response to changes in interest rates. Given that the investments are accounted for at fair value through net assets/equity, the change in fair value represents the increase or decrease in net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equal 1 per cent). The basis points shifts are illustrative.

Main pool interest rate risk sensitivity analysis as at 31 December 2023

<i>Shift in yield curve (basis points)</i>	-200	-150	-100	-50	0	+50	+100	+150	+200
(Millions of United States dollars)									
Increase/(decrease) in fair value									
Main pool total	144.78	108.58	72.38	36.19	0	(36.19)	(72.37)	(108.55)	(144.73)

Main pool interest rate risk sensitivity analysis as at 31 December 2022

<i>Shift in yield curve (basis points)</i>	-200	-150	-100	-50	0	+50	+100	+150	+200
(Millions of United States dollars)									
Increase/(decrease) in fair value									
Main pool total	168.98	126.73	84.48	42.24	0	(42.23)	(84.46)	(126.69)	(168.91)

Other market risk: price risk

102. The main pool is not exposed to significant other price risk, because it does not sell short, borrow securities or purchase securities on margin, which limits the potential loss of capital.

Accounting classifications and fair value hierarchy

103. All investments are reported at fair value through net assets/equity. Cash and cash equivalents carried at nominal value are deemed to be an approximation of fair value.

104. The levels are defined as follows:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

105. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held in the main pool is the current bid price.

106. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximize the use of observable market data. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

107. The fair value hierarchy in the table below presents the cash pool assets that are measured at fair value at the reporting date. There were no level 3 financial assets or liabilities carried at fair value and there were no significant transfers of financial assets between fair value hierarchy classifications.

Fair value hierarchy for investments as at 31 December: main pool

(Thousands of United States dollars)

	31 December 2023			31 December 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets at fair value through net assets/equity^a						
Bonds – corporate	118 115	–	118 115	65 200	–	65 200
Bonds – non-United States agencies	2 468 680	–	2 468 680	1 974 662	–	1 974 662
Bonds – supranational	770 234	–	770 234	789 587	–	789 587
Bonds – United States treasuries	1 185 059	–	1 185 059	1 348 056	–	1 348 056
Bonds – non-United States sovereigns	97 824	–	97 824	96 713	–	96 713
Commercial papers	–	510 193	510 193	–	1 747 461	1 747 461
Certificates of deposit	–	2 982 310	2 982 310	–	2 654 637	2 654 637
Term deposits	–	1 820 000	1 820 000	–	1 430 000	1 430 000
Total main pool	4 639 912	5 312 503	9 952 415	4 274 218	5 832 098	10 106 316

^a Financial assets were held at fair value through surplus or deficit in 2022

Financial risk management: foreign exchange risk

108. Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. ITC operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc. Management requires that ITC manage its currency risk against its functional currency by structuring contributions from the United Nations and WTO in Swiss francs, which is the foreign currency needed for operational purposes related to the regular budget. The Centre's financial assets and financial liabilities are primarily denominated in United States dollars, thereby reducing its overall foreign currency exposure. Financial liabilities, including funds received in advance and funds held on behalf of donors, are carried in the accounts in United States dollars, although some portion may be refunded in local currency at the donor's request. Currency risk related to technical cooperation projects is mitigated through contractual terms in agreements with donors that provide that ITC will not assume any financial liability in excess of the funds provided by the donor as calculated in the Centre's functional currency.

Currency exposure as at 31 December 2023

(Thousands of United States dollars)

	United States dollar	Swiss franc	Euro	Pound sterling	Swedish krona	Other	Total
Main cash pool	157 627	185	1 267	128	–	306	159 513
Voluntary contributions receivable	90 928	13 735	73 299	4 075	15 333	1 497	198 867
Other accounts receivable	–	7	–	–	–	–	7
Total financial assets	248 555	13 927	74 566	4 203	15 333	1 803	358 387

Currency exposure as at 31 December 2022

(Thousands of United States dollars)

	<i>United States dollar</i>	<i>Swiss franc</i>	<i>Euro</i>	<i>Pound sterling</i>	<i>Swedish krona</i>	<i>Other</i>	<i>Total</i>
Main cash pool	144 991	198	1 066	–	–	138	146 393
Voluntary contributions receivable	78 602	9 553	51 287	11 672	15 210	2 470	168 794
Other accounts receivable	177	–	–	–	–	–	177
Total financial assets	223 770	9 751	52 353	11 672	15 210	2 608	315 364

109. As at 31 December 2023, if the United States dollar had weakened or strengthened by 10 per cent against other currencies held in the main cash pool, voluntary contributions and other receivables, with all other variables held constant, the net results for the year would have been \$10.983 million (2022: \$9.159 million) higher or lower, mainly as a result of foreign exchange gains or losses on translation of receivables denominated in euros, Swiss francs and other currencies. Similarly, the impact on net assets would have been an increase or decrease of \$10.983 million (2022: \$9.159 million).

Note 6**Accounts receivable**

110. Current voluntary contributions receivable represent confirmed contributions that are due within 12 months, while non-current voluntary contributions receivable are due after 12 months from the date of the financial statements.

111. Current and non-current voluntary contributions receivable increased as a result of an increase in new multi-year agreements signed during the year. Voluntary contribution and allocations agreements signed with donors (conditional and unconditional) amounted to \$159.336 million in 2023 (2022: \$58.714 million).

112. The non-current voluntary contributions receivable of \$89.043 million (2022: \$57.889 million) represent the discounted value of future year receivables.

Voluntary contributions receivable

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Current	109 824	110 905
Non-current	89 043	57 889
Total voluntary contributions receivable	198 867	168 794

113. Other accounts receivable include an inter-agency staff loan receivable, receivables from sales and other miscellaneous receivables. An inter-agency loan receivable of \$0.147 million at the end of 2022 was collected in 2023.

Other accounts receivable

(Thousands of United States dollars)

	31 December 2023	31 December 2022 ^a
Inter-agency staff loan receivable	—	147
Other	7	30
Total other accounts receivable	7	177

^a Restated to conform to current presentation

Note 7

Other assets

114. Advances to implementing partners are covered by binding agreements containing conditions that have not been fulfilled as at the reporting date. Expenses are recognized when conditions contained in the agreement are fulfilled. In accordance with the recommendation of the Board of Auditors, the net portion of any advances not yet delivered by year end will be taken to expense, except for the grants that ITC has effective control over. There were no such advances taken to expense in 2023. The decrease in advances to implementing partners is due to the delivery of projects decentralized to local counterparts. The increase in advances to vendors is due to operational requirements and contractual terms.

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Advances to implementing partners	10 988	11 349
Advances to United Nations Development Programme	482	12
Advances to vendors	1 051	393
Staff advances	1 012	952
Staff recoveries	26	2
Other	153	122
Subtotal, current other assets	13 712	12 830
Loss allowance	—	(15)
Total, other assets	13 712	12 815

Loss allowance

(Thousands of United States dollars)

	31 December 2023	31 December 2022
At 1 January	(15)	(15)
Written off during the year	15	—
At 31 December	—	(15)

115. Pursuant to financial rule 106.7 (a), an amount of non-recoverable receivables equivalent to \$15,222 was written off during 2023 related to travel advances and

debts. Miscellaneous receivables of \$4,554 related to travel advances and debts for which there was no previous allowance were also written off during 2023.

Note 8

Property, plant and equipment

(Thousands of United States dollars)

	<i>Vehicles</i>	<i>Communications and information technology equipment</i>	<i>Furniture and fixtures</i>	<i>Machinery and equipment</i>	<i>Leasehold improvements</i>	<i>Total</i>
Cost as at 1 January 2023	495	845	416	398	1 054	3 208
Additions	—	—	—	—	—	—
Disposals	(106)	—	—	—	—	(106)
Cost as at 31 December 2023	389	845	416	398	1 054	3 102
Accumulated depreciation as at 1 January 2023	321	684	256	321	1 054	2 635
Depreciation	66	79	23	17	—	185
Disposals	(106)	—	—	—	—	(106)
Accumulated depreciation as at 31 December 2023	281	763	279	338	1 054	2 714
Net carrying amount						
1 January 2023	174	161	160	77	—	573
31 December 2023	108	82	137	60	—	388

(Thousands of United States dollars)

	<i>Vehicles</i>	<i>Communications and information technology equipment</i>	<i>Furniture and fixtures</i>	<i>Machinery and equipment</i>	<i>Leasehold improvements</i>	<i>Total</i>
Cost as at 1 January 2022	475	822	317	398	1 054	3 066
Additions	51	65	99	—	—	215
Disposals	(31)	(42)	—	—	—	(73)
Cost as at 31 December 2022	495	845	416	398	1 054	3 208
Accumulated depreciation as at 1 January 2022	273	605	235	293	1 054	2 459
Depreciation	73	95	21	28	—	217
Disposals	(25)	(16)	—	—	—	(41)
Accumulated depreciation as at 31 December 2022	321	684	256	321	1 054	2 635
Net carrying amount						
1 January 2022	202	218	82	105	—	607
31 December 2022	174	161	160	77	—	573

116. ITC, in accordance with the recommendation of the Board of Auditors, performed an annual review of the residual value of the fully depreciated assets still in use, along with an impairment review that was undertaken for the 31 December 2023 reporting date. The review did not result in any equipment being considered

impaired, and no residual value that was material was required to be added back. However, a total write-off amounting to \$0.106 million at cost (2022: \$0.073 million) occurred during the year owing to obsolescence.

Note 9 Intangible assets

(Thousands of United States dollars)

	<i>Software developed internally</i>	<i>Software under development</i>	<i>Total</i>
Opening cost as at 1 January 2023	7 134	70	7 204
Additions	110	–	110
Transfers	70	(70)	–
Total cost as at 31 December 2023	7 314	–	7 314
Opening accumulated amortization as at 1 January 2023	4 895	–	4 895
Amortization	820	–	820
Closing accumulated amortization as at 31 December 2023	5 715	–	5 715
Net book value as at 1 January 2023	2 239	70	2 309
Net book value as at 31 December 2023	1 599	–	1 599

(Thousands of United States dollars)

	<i>Software developed internally</i>	<i>Software under development</i>	<i>Total</i>
Opening cost as at 1 January 2022	6 251	840	7 091
Additions	–	113	113
Transfers	883	(883)	–
Total cost as at 31 December 2022	7 134	70	7 204
Opening accumulated amortization as at 1 January 2022	4 079	–	4 079
Amortization	816	–	816
Closing accumulated amortization as at 31 December 2022	4 895	–	4 895
Net book value as at 1 January 2022	2 172	840	3 012
Net book value as at 31 December 2022	2 239	70	2 309

117. The Centre's intangible assets consist of a suite of online tools and databases through which its beneficiaries can make global trade more transparent and facilitate access to new markets. The aggregate amount of research and development expenditure during 2023 was \$0.263 million, of which \$0.153 million was recognized as an expense during 2023 and \$0.110 million was capitalized as internally developed assets. One internally developed project from 2022 was completed during the year. As at 31 December 2023, ITC had 18 intangible assets in total. The carrying amounts of these intangible assets, which in total amount to \$1.599 million, were individually not material to the ITC financial statements for separate disclosure.

Note 10
Accounts payable and accrued liabilities

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Payables to donors	1 436	3 762
Vendor and other payables	3 752	5 473
Accruals for goods and services	2 708	2 017
Total accounts payable and accrued liabilities	7 896	11 252

118. Payables to donors consist of the balance of unspent contributions for closed projects pending refund or reprogramming, interest income from non-conditional contributions which is repayable to donors, and balances due to the United Nations and WTO for overpayment, savings or surplus from assessed contributions. The decrease is due to the refund of unspent balances to donors for the projects closed in prior years.

119. Vendor and other payables relate mainly to payables to commercial vendors and consultants. The decrease is attributable mainly to the timing of the receipt of invoices from vendors for goods delivered and services rendered.

Note 11
Liabilities for conditional arrangements

120. ITC recognizes monetary voluntary contributions with conditions attached as a liability. Conditions are imposed by donors on the use of contributions and include both a performance obligation to use donations in a specified manner and an enforceable obligation to return the donation if it is not used in the specified manner. The amount recognized as a liability is the unexpended balance of the contribution as at the reporting date. As ITC satisfies the conditions on voluntary contributions through expenditure of the funds in the specified manner, the carrying amount of the liability is reduced and an amount of revenue equal to the reduction is recognized.

121. Current and non-current liabilities for conditional arrangements of \$212.205 million (2022: \$172.298 million) consist mainly of conditional agreements with the European Union and other donors. Liabilities for conditional arrangements increased as a result of new multi-year agreements signed during the year (2023: \$109.016 million, 2022: \$8.323 million), while revenue recognized during the year decreased (2023: \$59.692 million; 2022: \$66.122 million).

Liabilities for conditional arrangements

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current	71 725	71 235
Non-current	140 480	101 063
Total liabilities for conditional arrangements	212 205	172 298

Other liabilities

122. ITC recognizes as a liability any amount received as a voluntary contribution before an agreement is reached with the donor on the use of the contribution or contributions that are awaiting programming of specific project activities.

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Advance receipts and deferred revenue		
Current	735	1 302
Non-current	—	—
Total funds received in advance and deferred revenue	735	1 302

Note 12

Employee benefits liabilities

123. The liabilities arising from end-of-service or post-employment benefits are determined by independent actuaries and are established in accordance with the Staff Regulations and Rules of the United Nations. The full actuarial valuation for after-service health insurance, annual leave and repatriation benefits is usually undertaken every two years with a rolled forward valuation performed between full valuation cycles. The most recent full actuarial valuation was conducted as at 31 December 2023, while actuarially valued balances as at 31 December 2022 represented a roll-forward of the December 2021 valuation results.

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current liabilities		
Accrued salaries, allowances and benefits	499	1 211
Accumulated annual leave	590	528
Home leave	890	923
Repatriation grant	989	797
After-service health insurance	2 261	2 464
Subtotal, current liabilities	5 229	5 923
Non-current liabilities		
Accumulated annual leave	4 992	5 294
Repatriation grant	7 754	7 369
After-service health insurance	147 729	135 579
Subtotal, non-current liabilities	160 475	148 242
Total employee benefits liabilities	165 704	154 165

124. The methodology for estimating the amounts of each liability is as follows:

(a) *Home leave.* Non-locally recruited staff are entitled to reimbursement of the costs of travel to their home country in the second year after their initial appointment and every second year thereafter. The liability recorded relates to the

value of home leave entitlements that have been earned by officials but not taken as at the reporting date. The liability for home leave is considered a short-term benefit and is recognized at its estimated undiscounted value;

(b) *Accumulated annual leave.* Other long-term benefits include accumulated annual leave. The liabilities for annual leave represent unused accumulated leave days that are projected to be settled through a monetary payment to employees upon their separation from ITC. The Centre recognizes as a liability the actuarial value of the total accumulated unused leave days of all staff members, up to a maximum of 60 days (18 days for temporary staff) as at the date of the statement of financial position. The methodology applies a last-in, first-out assumption in the determination of the annual leave liabilities whereby staff members access current-period leave entitlements before they access accumulated annual leave balances relating to prior periods. Unused annual leave is calculated at 1/261 of net salary plus post adjustment for staff in the Professional and higher categories and 1/261 of net salary for staff in the General Service and related categories. The portion of the accumulated annual leave benefit that is expected to be settled through monetary payment within 12 months after the reporting date is classified under current liabilities, and the rest is classified under other long-term benefits and is actuarially valued;

(c) *Repatriation grant and travel.* In accordance with the Staff Regulations and Rules of the United Nations, non-locally recruited staff are entitled to a grant on separation from service based on the number of years of service worked outside their home country, if they have completed at least one year of service outside their home country. The grant is calculated on the basis of net salary for staff in the Professional and higher categories. In addition, non-locally recruited ITC staff are entitled to reimbursement of travel and transport of personal effects on separation for themselves, their spouses and their dependent children. The portion of the repatriation grant and travel that is expected to be settled through monetary payment within 12 months after the reporting date is classified under current liabilities. The repatriation grant and related travel is classified under post-employment benefits and is actuarially valued. Staff members are eligible to receive a repatriation grant upon separation from service provided that they have been in service for at least five years in a duty station outside their country of nationality;

(d) *After-service health insurance.* Staff members (and their spouses, dependent children and survivors) retiring from service at the age of 55 or older are eligible for after-service health insurance coverage if they have contributory health insurance coverage prior to retirement for at least 5 years of service for staff hired before 1 July 2007 and 10 years of service for staff hired after 1 July 2007. Staff hired after 1 July 2007 who retire with less than 10 years but more than 5 years of coverage receive unsubsidized coverage until they have been enrolled for 10 years, at which time the coverage is subsidized. The Centre's liability for after-service health insurance is calculated as the residual liability after deducting contributions from retirees and a portion of the contribution from active staff in accordance with cost-sharing ratios authorized by the General Assembly that require the Centre's share of the liability not to exceed one half of the total gross liability. The after-service health insurance programme is funded on a pay-as-you-go basis as medical benefits are accessed by retirees, with increasing costs attributable notably to changing demographics, improved life expectancy and increased cost of health-care services. To address the growing costs of health insurance, the United Nations has, over the years, adopted cost containment initiatives while ensuring that participants continue to have access to appropriate insurance coverage to meet their health-care needs. Health insurance costs are controlled by the manner in which the plans are structured and through ongoing reviews of plan provisions and benefits offered. To manage the inherent risks related to funding, the United Nations periodically carries out a funding

study of the after-service health insurance programme in order to analyse and explore options for the improvement of efficiency and the containment of costs and liabilities associated with the health insurance obligations;

(e) The mandatory age of retirement for staff who joined the United Nations on or after 1 January 2014 is 65; for those who joined before 1 January 2014, it is 60 or 62. The General Assembly decided to extend the mandatory age of separation to 65 for staff recruited by organizations of the United Nations common system before 1 January 2014, taking into account the acquired rights of staff by 1 January 2018 at the latest. This change was implemented as at 1 January 2018 and affects future calculations of employee benefits liabilities.

125. For 2023, the gross liability for all post-employment defined benefit plans was calculated by the actuary as \$238.393 million (2022: \$220.147 million), offset by contributions from plan participants of \$74.078 million (2022: \$68.116 million) to equal the Centre's net liability of \$164.315 million (2022: \$152.031 million). The total increase of \$12.284 million is the result of a \$6.414 million net actuarial loss (2022: \$38.165 million gain) recognized in net assets, and \$5.870 million (2022: \$6.116 million) in current service costs and interest, net of benefit payments recognized in the statement of financial performance as a component of staff costs.

Movement in employee benefits liabilities accounted for as defined benefits plans

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation grant</i>	<i>Accumulated annual leave</i>	<i>Total</i>
Defined benefit obligation as at 31 December 2022	138 043	8 166	5 822	152 031
Current service cost	5 172	269	678	6 119
Interest cost	2 792	399	287	3 478
Benefits paid (net of participant contributions)	(2 364)	(819)	(544)	(3 727)
Liability (gains)/losses due to actuarial financial assumptions	9 718	134	133	9 985
<i>Change in discount rate</i>	20 053	134	133	20 320
<i>Change in per capita claims cost</i>	(3 665)	—	—	(3 665)
<i>Change in medical inflation rate</i>	(478)	—	—	(478)
<i>Change in currency mix</i>	(6 192)	—	—	(6 192)
Liability (gains)/losses due to changes in demographic assumptions	(4 868)	(22)	(4)	(4 894)
Liability (gains)/losses due to changes in experience adjustments	1 497	616	(790)	1 323
Defined benefit obligation as at 31 December 2023	149 990	8 743	5 582	164 315

126. The interest cost and current service costs related to the defined benefit obligation for after-service health insurance liability, repatriation grant and travel and accumulated leave are recognized in the statement of financial performance as a component of staff costs. Any actuarial gains or losses for the defined benefit plans that result from changes in actuarial assumptions or experience adjustments, including experience adjustments related to other long-term benefits, are directly recognized in the statement of changes in net assets.

127. The total actuarial gain/loss recognized directly in net assets in the statement of changes in net assets in 2023 and 2022 is shown in the following table:

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation grant</i>	<i>Accumulated annual leave</i>	<i>Total</i>
Gain/(loss) in 2023	(6 347)	(728)	661	(6 414)
Gain/(loss) in 2022	34 926	1 848	1 391	38 165

Actuarial valuation: assumptions

128. Each year, ITC reviews and selects assumptions and methods that will be used by the actuaries in the valuation to determine the expense and contribution requirements for the Centre's after-service health insurance plans. The following assumptions and methods have been used in the valuation of these liabilities:

<i>Assumption</i>	<i>After-service health insurance</i>	<i>Repatriation grant</i>	<i>Accumulated annual leave</i>
Discount rate (31 December 2023)	2.04	4.95	4.99
Discount rate (31 December 2022)	2.04	5.14	5.16
Travel inflation (31 December 2023)		2.30	
Travel inflation (31 December 2022)		2.50	
Health-care cost trend rate (31 December 2023)	8.00 trending down to 2.35 in four years		
Health-care cost trend rate (31 December 2022)	4.25 trending down to 2.55 in six years		
Salary increase rate	Based on age and calculated separately for Professional and General Service staff		
Estimated duration of the liability, years	24	9	9

129. For the 2023 actuarial valuations, Aon Hewitt developed the yield curves used in the calculation of the discount rates in respect of the United States dollar and the Swiss franc. This is consistent with the decision of the Task Force on Accounting Standards, established under the auspices of the Finance and Budget Network of the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination taken in the context of the harmonization of actuarial assumptions across the United Nations system and the recommendation of the Advisory Committee on Administrative and Budgetary Questions ([A/71/815](#), para. 26), which was endorsed by the General Assembly in section IV of its resolution [71/272 B](#).

130. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The table below shows the per capita claims cost assumption at 65 years of age.

Per capita claims cost

(United States dollars)

<i>Plan</i>	<i>2023</i>	<i>2022</i>
Non-United States plans		
UNSMIS	6 093	7 155
Cigna WWP/FMIP/SMIP/GKK	3 494	3 808
MIP administered by UNDP	1 438	2 140

Abbreviations: FMIP, full medical insurance plan; GKK, Wiener Gebietskrankenkasse; HIP, health insurance plan of New York; HMO, health maintenance organization; MIP, medical insurance plan; SMIP, supplemental medical insurance plan; UNDP, United Nations Development Programme; UNSMIS, United Nations Staff Mutual Insurance Society against Sickness and Accidents; WWP, worldwide plan.

131. The health-care cost trend rate assumption reflects the current short-term expectations of the after-service health insurance plan cost increases and the economic environment. The Aon Hewitt assumption on health-care cost trend rates in Swiss francs was used for the 2023 valuation.

132. With regard to the valuation of repatriation benefits as at 31 December 2023, the Aon Hewitt assumption on inflation in travel costs was based on the projected United States inflation rate over the next 20 years.

133. Annual leave balances were assumed to increase at the following annual rates during the staff member's projected years of service: 0–1 year: 8.1 days; 2–3 years: 4.1 days; 4–8 years: 1.9 days; 9–15 years: 1.0 day; and more than 15 years: 0.4 days, up to the maximum of 60 days for regular staff and 18 days for temporary staff.

134. Pre-retirement mortality and withdrawal and retirement assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation. In line with the recommendations of the Task Force on Accounting Standards, post-retirement mortality table applied for December 2022 and 2023 valuations is the weighted headcount mortality table provided by Buck, a firm which provides pensions and employee benefits consulting services.

135. The table below presents the currency allocation used to determine the discount rates and health-care cost trend rates applicable to each plan. For currencies other than the United States dollar, the euro or the Swiss franc, the United States dollar was used as a proxy for the computation of the rates.

(Percentage)

<i>Benefits plan</i>		<i>United States dollar</i>	<i>Swiss franc</i>	<i>Euro</i>
After-service health insurance	Cigna WWP	73	6	21
	MIP administered by UNDP	95	–	5
	UNSMIS	12	75	13
Repatriation grant		100	–	–
Annual leave		100	–	–

Abbreviations: MIP, medical insurance plan; UNDP, United Nations Development Programme; UNSMIS, United Nations Staff Mutual Insurance Society against Sickness and Accidents; WWP, worldwide plan.

Sensitivity analysis

136. The principal financial assumptions used in the valuation of the defined benefit obligations of ITC as at 31 December 2023 were:

- (a) Health-care trend rate, i.e. the rate at which medical costs are expected to increase in the future;
- (b) Discount rate curve;
- (c) Per capita claim costs;
- (d) Mortality rates.

137. The sensitivity analysis looks at the change in liability due to changes in the rate of each main assumption while holding other principal assumptions constant.

138. Should the medical cost trend assumption or discount rate vary by 0.5 per cent, this would affect the measurement of the defined benefit obligations as follows:

(Thousands of United States dollars)

2023	Increase		Decrease	
0.5 per cent movement in the assumed medical costs trend rate				
Effect on the defined benefit obligation (after-service health insurance)	12.85	19 268	(10.96)	(16 437)
Effect on the aggregate of the current service cost and interest cost (after-service health insurance)	1.11	1 658	(0.89)	(1 337)

(Thousands of United States dollars)

2022	Increase		Decrease	
0.5 per cent movement in the assumed medical costs trend rate				
Effect on the defined benefit obligation (after-service health insurance)	14.61	20 173	(12.36)	(17 061)
Effect on the aggregate of the current service cost and interest cost (after-service health insurance)	1.46	2 009	(1.19)	(1 643)

(Thousands of United States dollars)

2023	Increase	Decrease
0.5 per cent movement in the assumed discount rate		
Effect on the after-service health insurance-defined benefit obligation	(16 906)	20 083
Effect on the repatriation grant defined benefit obligation	(335)	360
Effect on the annual leave defined benefit obligation	(222)	238

(Thousands of United States dollars)

2022	Increase	Decrease
0.5 per cent movement in the assumed discount rate		
Effect on the after-service health insurance-defined benefit obligation	(13 219)	14 694
Effect on the repatriation grant defined benefit obligation	(345)	362
Effect on the annual leave defined benefit obligation	(263)	277

139. The claims cost sensitivity analysis, at 65 years of age, is presented below.

(Thousands of United States dollars)

Scenario	After-service health insurance defined benefit liability as at 31 December 2023	Impact
Central	149 990	—
Increase by 1 per cent	151 487	1 497
Decrease by 1 per cent	148 494	(1 496)

140. The sensitivity analysis for changes in life expectancy is summarized below.

(Thousands of United States dollars)

Scenario	After-service health insurance defined benefit liability as at 31 December 2023	Impact
Central	149 990	—
Increase by 1 year	158 776	8 786
Decrease by 1 year	141 515	(8 475)

Present value of liability for defined benefit obligations by fund as at 31 December

(Thousands of United States dollars)

	General Fund		Programme support costs		Extrabudgetary		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
After-service health insurance	97 295	94 847	12 116	9 875	40 579	33 321	149 990	138 043
Current	1 581	1 726	185	181	495	557	2 261	2 464
Non-current	95 714	93 121	11 931	9 694	40 084	32 764	147 729	135 579
Repatriation grant	3 644	3 902	432	529	4 667	3 735	8 743	8 166
Current	517	471	53	53	419	273	989	797
Non-current	3 127	3 431	379	476	4 248	3 462	7 754	7 369
Accumulated annual leave	2 638	2 822	406	456	2 538	2 544	5 582	5 822
Current	346	341	34	33	210	154	590	528
Non-current	2 292	2 481	372	423	2 328	2 390	4 992	5 294
Total	103 577	101 571	12 954	10 860	47 784	39 600	164 315	152 031

Historical present value of liability for defined benefit obligations as at 31 December

(Thousands of United States dollars)

	2023	2022	2021	2020	2019
After-service health insurance	149 990	138 043	167 077	164 795	155 948
Repatriation benefits	8 743	8 166	10 125	8 754	7 906
Annual leave	5 582	5 822	6 878	5 076	4 640
Total	164 315	152 031	184 080	178 625	168 494

Funding of defined benefit liabilities – extrabudgetary resources

141. With effect from 1 January 2017, the Centre began to accrue 3 per cent on gross salary plus post adjustment for staff funded from extrabudgetary resources in respect of staff retiring from positions funded from extrabudgetary resources, as a reserve to cover the Centre's after-service health insurance obligation. The rate was subsequently increased to 6 per cent on 1 January 2019.

142. The Centre accrues 8 per cent on gross salary less staff assessment for staff funded from extrabudgetary resources, including the programme support cost fund, as a reserve to cover the Centre's repatriation grant obligation.

143. The following table summarizes the funding position of actuarially valued liabilities pertaining to extrabudgetary resources as at 31 December 2023.

(Thousands of United States dollars)

<i>Attributable to extrabudgetary resources, including the programme support cost fund</i>	<i>Liability</i>	<i>Funded</i>	<i>Unfunded</i>	<i>Percentage of liability funded</i>
After-service health insurance and repatriation benefits	57 794	22 827	34 967	39
Annual leave	2 944	–	2 944	–
Total	60 738	22 827	37 911	38

144. Defined benefit liabilities pertaining to the regular budget have not been funded. The pertinent budget is provided on the basis of claims experience in the previous years.

United Nations Joint Staff Pension Fund

145. The Regulations of the United Nations Joint Staff Pension Fund 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.

146. The Centre's financial obligation to the Fund consists of its mandated contribution, at the rate established by the General Assembly (currently 7.9 per cent for participants and 15.8 per cent for member organizations), together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the General Assembly has invoked the provision of article 26, following the determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as at the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions that each paid during the three years preceding the valuation date.

147. The latest actuarial valuation for the Fund was completed as at 31 December 2021, and the valuation as at 31 December 2023 is currently being performed. A roll forward of the participation data as at 31 December 2021 to 31 December 2022 was used by the Fund for its 2022 financial statements.

148. The actuarial valuation as at 31 December 2021 resulted in a funded ratio of actuarial assets to actuarial liabilities of 117.0 per cent (107.1 per cent in the 2019 valuation). The funded ratio was 158.2 per cent (144.4 per cent in the 2019 valuation) when the current system of pension adjustments was not taken into account.

149. After assessing the actuarial sufficiency of the Fund, the consulting actuary concluded that there was no requirement, as at 31 December 2021, 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 at the valuation date. At the time of reporting, the General Assembly has not invoked the provision of article 26.

150. Should article 26 be invoked owing to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2020, 2021 and 2022) amounted to \$8,937.68 million, of which 0.32 per cent was contributed by ITC.

151. During 2023, contributions paid to the Fund by ITC amounted to \$10.752 million (2022: \$10.132 million). Expected contributions due in 2024 are approximately the same as in 2023.

152. Membership of the Fund may be terminated by a decision of the 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 Pension Board on the basis of 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 is included in the amount.

153. The Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the General Assembly on the audit every year. The Fund publishes quarterly reports on its investments, which be viewed by visiting the Fund's website (www.unjspf.org).

Note 13 Provisions

(Thousands of United States dollars)

	2023	2022
Opening balance as at 1 January	–	212
Current year addition/(release) of provision	–	(212)
Closing balance as at 31 December	–	–

154. There were no newly established provisions in 2023.

Note 14
Operating reserves

155. The movements in operating reserves are shown below. The increase in trust fund operating reserve is due to higher interest earned on donor contributions where ITC is allowed to keep the interest or residual balances (2023: \$5.017 million; 2022: \$1.996 million).

(Thousands of United States dollars)

	<i>Trust fund</i>	<i>Programme support fund</i>	<i>Total</i>
Opening balance as at 1 January 2022	11 467	1 741	13 208
Interest income and residual donor balances	1 996	–	1 996
20 per cent adjustment, in accordance with ST/AI/286	–	220	220
Closing balance as at 31 December 2022	13 463	1 961	15 424
Interest income and residual donor balances	5 017	–	5 017
20 per cent adjustment, in accordance with ST/AI/286	–	(170)	(170)
Closing balance as at 31 December 2023	18 480	1 791	20 271

Note 15
Revenue**Assessed contributions**

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
United Nations	20 179	19 073
World Trade Organization	20 179	19 073
Subtotal	40 358	38 147
Refunds to donors for prior-year surplus and savings	(32)	(263)
Total assessed contributions net of refunds	40 326	37 884

156. Assessed contributions are contributions received from the United Nations and WTO. Under the terms of General Assembly resolution [2297 \(XXII\)](#) of 12 December 1967 and the decision of the Contracting Parties to the General Agreement on Tariffs and Trade dated 22 November 1967, as well as the administrative arrangements between the United Nations and WTO as endorsed by the Assembly in its decision 53/411 B and its resolution [59/276](#), the regular budget of ITC is assessed in Swiss francs and financed equally by the United Nations and WTO.

157. The contributions are based on an annual budget of the United Nations and biennial budget of WTO adjusted for changes in exchange rates and inflation and are recorded as at the first day of the year to which they relate. Contributions are approved to be assessed for a one-year budget period, or a portion thereof or for multiple years. Where budgets and/or appropriations are approved for multiple years, the related contributions are apportioned among the years of the budget period for payment. Assessed contributions are considered to be without conditions. In those cases where multiple assessments are issued within a single annual period, revenue is recorded when due from the United Nations and WTO. The increase in assessed contribution

from the prior year is due to a favourable exchange rate of the United States dollar against the Swiss franc throughout 2023 as the budget is adopted in Swiss francs while contributions are received on monthly basis and translated into United States dollars at the United Nations operational rate of exchange at the date of the transaction.

158. The General Assembly, in its resolution [77/267](#), decided to lift the trial period on the annual budget cycle and requested the Secretary-General to continue with the submission of the annual programme budget for the United Nations, while WTO maintains its biennial budget cycle. Over the past years, many changes have taken place in the budgeting process of both the United Nations and WTO, which provide a unique opportunity to streamline the current administrative arrangements while at the same time meeting the exigencies of programmatic decisions on the part of States Members of the United Nations and WTO members. The changes concern, in the case of the United Nations, the move from a biennial to an annual budget cycle and the presentation of programme planning and performance information in the annual regular budget fascicle instead of separate reports. Other significant developments are the discontinuation of the biennial strategic framework and the simplification of the budget fascicles. The United Nations Secretariat and the WTO secretariat will conduct a joint review of the administrative arrangements, which will be suitably updated and presented to the General Assembly and the General Council of WTO for consideration in 2024.

Voluntary contributions and other transfers and allocations

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Voluntary contributions	104 973	112 746
Contributions in kind	3 564	2 991
Refunds to donors for voluntary contributions	(439)	(149)
Subtotal	108 098	115 588
Other transfers and allocations	3 219	1 784
Refunds to donors for other transfers and allocations	(74)	(162)
Subtotal	3 145	1 622
Total voluntary contributions and other transfers and allocations net of refunds	111 243	117 210

159. Voluntary contributions through donor agreements are recognized as revenue at the point of signature except where such agreements contain a condition requiring specific performance and return of unexpended funds. Voluntary contributions include programme support revenue charged in accordance with United Nations financial procedures at 13 per cent on technical cooperation financed activities, 12 per cent for Associate Experts, and between 7 per cent and 14 per cent for the European Commission, the Enhanced Integrated Framework, the One United Nations initiative and projects funded by other United Nations agencies, and for non-reimbursable loans of personnel services from sources external to the United Nations Common System or any other exceptional rate pre-approved by the United Nations Controller. Multi-year conditional agreements signed in 2023 increased compared with 2022 owing to the planning cycles and priorities of the major ITC donors. This resulted in an increase in receivables with a corresponding rise in deferred liabilities for conditional arrangements, while revenue will be recognized in

future periods on the basis of performance. In 2023, revenue from voluntary contributions remained constant.

160. Other transfers and allocations are mainly inter-organizational arrangements and multi-donor initiatives under the Enhanced Integrated Framework trust fund and the One United Nations fund. The increase is due to fund allocation decisions and funding priorities of these bodies.

161. The breakdown for voluntary contributions and other transfers and allocations by type of agreement is as follows:

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Contributions from unconditional agreements	48 500	48 408
Contributions from conditional agreements	59 692	66 122
Total voluntary contributions and other transfers and allocations^a	108 192	114 530

^a The amount includes the discounted value of future-year receivables.

162. The total unconditional voluntary contributions and other transfers and allocations of \$48.500 million consists of approximately \$10.219 million for 2023 and \$38.281 million for future years (2024: \$18.853 million; 2025: \$11.275 million; 2026: \$5.038 million; 2027: \$3.115).

163. The total amount of donor pledges which have not been formalized is \$115 million (2022: \$58 million).

Contributions in kind

164. Contributions in kind of \$3.564 million (2022: \$2.991 million) consist of the rental subsidy from the Fondation des immeubles pour les organisations internationales, which is the difference between the market value of the rental and the actual rent paid. A matching in-kind rent is expensed at the same time as the contribution is recognized as revenue. There were 33 commercial operating leases in 2023 (2022: 38) for ITC project offices in the field, 4 of which were on a free rental basis (2022: 5), and the fair value of each of those properties was estimated to be less than the recognition threshold of \$5,000.

165. Services in kind, consisting mainly of contributions to conferences, workshops and training, were estimated at \$3.048 million (2022: \$1.023 million) received mainly from governments, government agencies and non-governmental organizations in support of projects and field office operations during the year. The amount is measured at fair value. The in-kind services are not recognized in the financial statements.

Other revenue

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Services rendered	207	181
Net foreign exchange gain	1 614	—
Other revenue	281	241
Total other revenue	2 102	422

166. Other revenue includes proceeds from sales of statistical data to governments and other entities, net foreign exchange gain and other miscellaneous income.

167. The increase from the prior year is due to net foreign exchange gains resulting from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies (2022: net foreign exchange loss \$0.102 million; see note 16).

Investment revenue

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Investment revenue	5 854	430
Total investment revenue	5 854	430

168. Investment revenue includes the ITC share of net cash pool revenue earned in the main cash pool managed by the United Nations Treasury, which centrally invests the funds on behalf of ITC and other interest revenue. The revenue of the main pool attributable to ITC in 2023 amounts to \$6.437 million (see note 5), of which \$5.854 million was classified as investment revenue, \$0.330 million classified as an additional voluntary contribution and \$0.253 million classified as payable to donors (2022: \$0.620 million). The increase is attributable mainly to bank interest income resulting from the higher interest rate environment.

169. Unrealized loss from the main cash pool mark to market revaluation of \$0.495 million is reported under the statement of net assets in accordance with IPSAS 41 in 2023. In 2022, the corresponding unrealized loss of \$1.586 million was included as part of the investment revenue from the main cash pool.

Note 16 Expenses

Employee salaries, allowances and benefits

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Staff salaries, wages and allowances	59 161	55 841
Pension costs and insurance benefits	19 754	19 229
Other benefits	996	1 181
Total employee salaries, allowances and benefits	79 911	76 251

170. Employee salaries, allowances and benefits are for all international and national staff expenses such as salaries, post adjustment, entitlements, pensions and health plan contributions for staff in the Professional and higher categories and in the General Service and related categories. It also includes staff expenses relating to general temporary assistance and after-service health insurance expenses for former ITC staff. The increase year over year is due to an increase in project personnel funded from voluntary contributions and an increase in the United States dollar equivalent of the salaries of staff in the General Service category, which is denominated in Swiss francs. Part of the increase is also attributable to mandatory increases in staff remuneration due to inflation.

Non-employee compensation and allowances

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Individual consultant fees and insurance	26 348	28 174
Individual contractor costs	1 011	831
Travel of non-employees	2 895	2 609
Total non-employee compensation and allowances	30 254	31 614

171. Non-employee compensation and allowances are costs of individual contractors and consultants, including related insurance and travel expenses. The reduction in non-employee compensation and allowances aligns with extrabudgetary projects budget and planned activities.

Travel

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Staff travel	5 149	3 624
Representative travel	4 393	3 834
Total travel	9 542	7 458

172. Travel relates to the regular travel of staff, meeting participants and persons on missions related to official business. Travel expenses have risen nearly to pre-pandemic levels owing to ongoing implementation of ITC projects and engagement with beneficiaries. In addition, there has been a notable increase in travel costs surpassing inflation as airfare prices for many destinations have seen significant increases.

Grants and other transfers

173. Grants and other transfers amounting to \$8.724 million are financial contributions made to end beneficiaries, implementing partners, agencies and other entities. The increase from the prior year is due to the increased decentralization of project activities to local counterparts (2022: \$7.847 million).

Supplies and consumables

174. Supplies and consumables amounting to \$0.698 million (2022: \$0.583 million) include items customarily consumed on a daily basis, such as stationery, office supplies, fuel and other consumables. The expensed amount in 2023 increased from the prior period and aligns with extrabudgetary project budgets and planned activities.

Other operating expenses

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Contracted services	19 831	22 552
Acquisitions of goods	1 696	3 565
Acquisitions of intangible items	749	718
Rent, office and premises	2 003	2 732
Rental equipment	222	204
Maintenance and repair	259	307
Bad debt expense	20	5
Net foreign exchange losses	–	102
Other	221	507
Total other operating expenses	25 001	30 692

175. The decrease from the prior year is due to lower requirements for contracted services, the acquisition of goods and the rental of premises for project activities in line with project budgets.

Other expenses

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Expense for contributions in kind	3 564	2 991
Other	1	4
Total other expenses	3 565	2 995

176. Included in the expense for contributions in kind is the rental subsidy from the Fondation des immeubles pour les organisations internationales in the amount of \$3.564 million (2022: \$2.991 million), which is the difference between the market value of the rental and the actual rent paid. A matching in-kind contribution is recognized as revenue at the same time as the rent is recognized as an expense. The increase from the prior year is due to fluctuations in the exchange rate, affecting the equivalent value of the rent subsidy denominated in Swiss francs when converted to United States dollars.

Note 17

Budget comparison and reconciliation

177. The General Assembly and the General Council of WTO approve the budget of ITC. The budget may be subsequently amended by the Assembly, by the Council or through the exercise of delegated authority.

178. The Centre's budget is prepared on a modified cash accounting basis and the financial statements are prepared on a full accrual basis in accordance with IPSAS.

179. Statement V, Comparison of budget and actual amounts, compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. The comparison is made only in respect of the publicly available regular budget.

Movement between original and final budgets (regular budget)

180. Since the original budget is adopted in Swiss francs, the final budget takes into consideration the result of exchange rate changes between Swiss francs and United States dollars taking place between the adoption of the original budget and the reporting date.

Budget to actual variance analysis

181. Explanations of material differences between the original budget and the final budget and between the final budget and the actual amounts are presented in the report of the Executive Director on the financial year accompanying these financial statements (see chap. IV above).

Reconciliation between the actual amounts on a comparable basis and the statement of financial performance

182. The statement of comparison of budget and actual amounts (statement V) includes the original and final budget and the actual revenue and expense on the same basis as the budget.

183. As the basis used to prepare the budget and the one used to prepare the financial statements differ, this note provides reconciliation between the actual amounts presented in statement V and the actual amounts presented in the statement of cash flows.

184. The actual amounts presented on a comparable basis in the statement of comparison of budget and actual amounts have been reconciled to the actual amounts presented in the statement of cash flows, identifying separately any basis, timing and entity differences, as follows:

(a) Basis differences capture the differences resulting from preparing the budget on a modified cash basis. To reconcile the budgetary results to the statement of cash flows, the modified-cash elements such as unliquidated obligations, which are commitments against the budget but do not represent a cash flow, must be eliminated. Similarly, IPSAS-specific differences, such as investing cash flows relating to acquisition of property, plant and equipment or intangibles, and indirect operating cash flows relating to changes in receivables due to movements in the allowance for doubtful receivables and accrued liabilities, are included as basis differences to reconcile to the statement of cash flows;

(b) Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts, which include the latter not presenting revenue and the net changes in cash pool balances. Other presentation differences are that the amounts included in the statement of comparison of budget and actual amounts are not segregated into operating, investing and financing activities;

(c) Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. For the purposes of comparison of budget and actual amounts, there are no timing differences for ITC;

(d) Entity differences represent fund groups other than the regular budget that are reported in the financial statements. The financial statements include results for all funds.

185. The reconciliation between the actual amounts presented in statement V and the actual amounts presented in the statement of cash flows is as follows:

Reconciliation of actual amounts on a comparable basis and actual amounts in the cash flow

(Thousands of United States dollars)

	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total</i>
Actual amount on a comparable basis (statement V)	(40 683)	–	–	(40 683)
Basis differences				
Elimination of unliquidated obligations	424	–	–	424
Accruals of expenses	(650)	–	–	(650)
Expenditure against prior period	247	–	–	247
Exchange gains/losses	(3)	–	–	(3)
Share of joint arrangement	(84)	–	–	(84)
Expenses for contributions in kind	(3 564)	–	–	(3 564)
Depreciation/amortization	(117)	–	–	(117)
Total basis differences	(3 747)	–	–	(3 747)
Budget revenue in accordance with statement V	40 683	–	–	40 683
Presentation differences				
Revenue for contributions in kind	3 564	–	–	3 564
Reclassification of other revenue	(11)	–	–	(11)
Refund of prior biennium surplus	(32)	–	–	(32)
Elimination of non-cash changes in assets and liabilities in operating cash flow	(1 274)	–	–	(1 274)
Investment revenue presented as investing activities	(166)	166	–	–
Total presentation differences	42 764	166	–	42 930
Entity differences				
Other funds expenditure	(114 354)	–	–	(114 354)
Other funds revenue	115 321	–	–	115 321
Elimination of non-cash changes in assets and liabilities in operating cash flow	19 289	–	–	19 289
Actuarial gain/(loss) on employee benefits liabilities	(6 414)	–	–	(6 414)
Investment revenue presented as investing activities	(5 688)	5 688	–	–
Depreciation and amortization	888	–	–	888
Pro rata share of net increases in the cash pool	–	(12 864)	–	(12 864)
Acquisitions of intangibles	–	(110)	–	(110)
Total entity differences	9 042	(7 286)	–	1 756
Actual amount per statement of cash flows (statement IV)	7 376	(7 120)	–	256

Note 18

Related parties: key management personnel

186. The key management personnel of ITC are the Executive Director, the Deputy Executive Director, the Directors of the five divisions, the Chief Adviser in the Office of the Executive Director and the Chief of Strategic Planning, who have the authority and responsibility for planning, directing and controlling the activities of ITC and influencing its strategic direction.

	31 December 2023	31 December 2022
Number of individuals (full-time equivalents)	9	9
(Thousands of United States dollars)		
	31 December 2023	31 December 2022
Aggregate remuneration	2 159	2 316
Outstanding advances as at 31 December	77	20

187. The aggregate remuneration paid to key management personnel includes gross salaries, post adjustment, entitlements, assignment and other grants, rental subsidy, costs of shipment of personal effects, income tax reimbursement and employer contributions to the pension plan and current health insurance contributions. Key management personnel are also qualified for post-employment benefits, which are payable only upon separation. No non-monetary and indirect benefits were paid to key management personnel. Key management personnel are ordinary members of the United Nations Joint Staff Pension Fund.

188. Any advances are those made against entitlements in accordance with the Staff Regulations and Rules of the United Nations. There were no loans granted to key management personnel.

Transactions with related party entities

189. Except otherwise noted in these statements, for revenue from non-exchange transactions including contributions in kind, all transactions made with third parties, including United Nations organizations and WTO, occur within a normal relationship between supplier or client and recipient or at arm's length terms and conditions.

190. As explained in note 5 above, the ITC cash and investments are managed by the United Nations Treasury as part of the main cash pool.

Note 19

Interest in joint arrangement

191. ITC participates in a jointly financed operation relating to safety and security, which is established under a binding agreement. However, ITC does not have significant control over the activity. The interest of ITC in the activity is its share of the activity's net assets recognized using the equity method, which is based on the funding apportionment percentage such as the number of employees and the total space occupied. Since the total of the activity is in a net liability position, this is recognized as a non-current liability in the ITC statement of financial position.

192. The Centre's share of the activity for the year ended 31 December 2023 is \$0.084 million (2022: reduction of expenses of \$0.022 million) and is recognized in the ITC statement of financial performance as an expense. Where the activity also has transactions, which are recorded directly in net assets, the ITC share of these transactions is accounted for through the statement of changes in net assets (statement III). In 2023, the increase relates to an actuarial loss relating to the employee benefits liability valuation.

193. Movements in the joint arrangement for the year are reflected in the table below.

(Thousands of United States dollars)

	2023	2022
Cost as at 1 January	86	155
Movement for the year:		
Changes in net assets of joint arrangement recognized through statement of changes in net assets	29	(47)
Share of deficit/(gain) for the year of joint arrangement recognized through statement of financial performance	84	(22)
Total changes in joint arrangement for the year	113	(69)
Share of joint arrangement accounted for using equity method and reported as net liability in statement of financial position as at 31 December	199	86

Note 20

Leases and commitments

194. ITC has operating leases for the rental of its headquarters building in Geneva, field offices and printing, publishing and other equipment.

195. The minimum lease payments under non-cancellable operating leases are as follows:

Obligations for operating leases

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Due in less than 1 year	1 738	1 710
Due in 1 to 5 years	1 183	2 358
Total minimum operating lease obligations	2 921	4 068

196. The lease for the ITC headquarters in Geneva is between the Fondation des immeubles pour les organisations internationales and ITC for an annual lease payment of 1.085 million Swiss francs (2022: 1.085 million Swiss francs). The lease can be renewed for an additional five-year period upon explicit agreement between the parties or terminated by a formal written notice to the Fondation of at least six months before the expiration date of 30 September 2025. The lease agreement also contains a restriction concerning further leasing without consent from the Fondation.

197. ITC leases for field offices can generally be cancelled by providing notice of 30 to 90 days.

198. The equipment leases pertain to photocopiers, printing machines, water fountains and uninterrupted power supply machines. The rental of multifunction photocopiers is based on a five-year contract. This lease is based on a fixed annual rental amount for 16 machines and a cost per copy. Since the variable amounts are regular and ongoing, there is a high likelihood that such additional copy costs would be consumed by ITC on an ongoing basis. The rental of printing equipment is based on a fixed amount per year for an initial four-year contract, renewable twice for a two-year period until 28 February 2026. The rental of water fountains and

uninterrupted power supply machines are based on a fixed annual cost. None of the agreements contain purchase options, and either party may terminate the contract, in whole or in part, upon 30 days' notice, in writing, to the other party.

Other commitments

Open contractual commitments

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Property, plant and equipment	350	—
Grants	24 131	26 066
Goods and services	14 988	16 349
Total open contractual commitments	39 469	42 415

199. Other commitments relate to the future commitment to transfer funds to end beneficiaries, implementing partners, and the acquisition of goods and services, including purchase orders, contracted for but not delivered as at 31 December 2023. The decrease under grants from the prior year is due to delivery of activities contracted to implementing partners.

Note 21

Contingent assets and contingent liabilities

200. There were no contingent assets or liabilities arising as at the reporting date.

Note 22

Events after the reporting date

201. There have been no material events, favourable or unfavourable, that occurred between the date of the financial statements and the date on which the financial statements were authorized for issue that would have had a material impact on these statements.

Annex I

Statement of appropriations

General fund: statement of appropriations for the year ended 31 December 2023

(Thousands of United States dollars)

	<i>Appropriations^a</i>			<i>Expenditures</i>			<i>Unencumbered balance</i>
	<i>Original</i>	<i>Changes</i>	<i>Revised</i>	<i>Disbursements</i>	<i>Unliquidated obligations</i>	<i>Total</i>	
International Trade Centre							
Programme of activities	39 566	1 117	40 683	40 259	424	40 683	—

^a Represents the original appropriation of \$39.566 million for the year 2023. The General Assembly, in its resolutions [77/263](#) and [77/264](#) A-C, authorized the United Nations share of \$20.458 million.

Annex II

Statement of budget and actual amounts for the year ended 31 December 2023

(Thousands of United States dollars)

	<i>Publicly available budget^a</i>		<i>Actual expenditure on budget basis for 2023</i>	<i>Difference (percentage)</i>
	<i>Original annual</i>	<i>Final annual</i>		
Posts	31 002	31 002	31 742	2.4
Non-post	8 564	8 564	8 941	4.4
Total	39 566	39 566	40 683	2.8

^a Represents the original budget of \$39.566 million for the year 2023, which remains unchanged. The General Assembly, in its resolutions [77/263](#) and [77/264](#) A–C, authorized the United Nations share of \$20.458 million.

