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United Nations Development
Programme, the United Nations
Population Fund and the United
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UNFPA – Annual report of the Executive Director

United Nations Population Fund

Statistical and financial review, 2024

Report of the Executive Director

Summary

This review summarizes the financial performance of UNFPA in 2024 and its financial position as at 31 December 2024. Figures in this report are consistent with the full accrual basis of accounting, unless stated otherwise. All data in the document is provisional, subject to external audit and, because of rounding, may not add up to the totals.

UNFPA was requested by the United Nations Board of Auditors to modify its accounting policy for revenue recognition for contributions to regular resources. The impact of this change is two-fold: (a) revenue for regular resources is recognized in the year the agreement is signed; and (b) the full value of the agreement is recognized as revenue, even where the agreement is a multi-year agreement, and the amounts are intended for future years. Because of this change, to allow easier comparisons with strategic plan figures and with the resource allocation and management process, this report presents both revenue figures (i.e., amounts recognized as revenue in the year in which the agreements are signed and become binding, rather than the years for which the contributions are intended), and contributions received (i.e., the amount of cash transferred to UNFPA in any particular year).

UNFPA gross contribution revenue for 2024 amounted to \$1,572.5 million (2023: \$1,454.4 million).

UNFPA gross contributions received for 2024 amounted to \$1,657.1 million, surpassing the strategic plan target of \$1,303.4 million by \$353.7 million or 27.1 per cent; and are 18.6 per cent more than the \$1,397.6 million in contributions received in 2023. The increase is attributable to an increase in gross contributions received for other resources, which rose to \$1,277.6 million (increasing by 26 per cent), partially offset by a marginal decrease in regular resources received, which fell to \$379.5 million, compared to \$383.9 million in 2023.

Expenses for 2024 increased by 1.2 per cent to \$1,528.0 million (2023: \$1,510.4 million). Revenue exceeded expenses mainly because most revenue is recognized upfront when a binding donor agreement is signed, and expenses are recognized at a later date, when goods and services are delivered.

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UNFPA reserves and fund balances as at 31 December 2024 amounted to \$2,522.2 million (2023: \$2,408.0 million). Regular resources available for programming increased to \$207.3 million as at 31 December 2024 (2023: \$192.7 million) due to prudent financial management aimed at ensuring the continuity of UNFPA operations in case of potential funding shortages in the future. Other resources fund balances increased to \$1,769.9 million as at 31 December 2024 (2023: \$1,542.9 million); this includes contributions of \$661.5 million not yet collected and thus not available for spending (2023: \$651.9 million).

While UNFPA closed 2024 with a positive resource mobilization performance and in strong financial health, the outlook for 2025 and beyond continues to be fluid due to changes in the geopolitical context, an increase in the need for humanitarian interventions due to protracted and emergent conflicts, and continued pressure on funding. Shifting donor priorities and operational challenges will impact the ability of UNFPA to generate revenue and implement its programme activities. In this context, timely inflows of predictable contribution revenue, especially from regular resources but also from more flexible other resources and from a broader group of donors, are critical to sustain UNFPA operations and achieve its strategic objectives.

Elements of a decision

The Executive Board may wish to take note of the present report.

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I. Introduction

1. This review summarizes the financial performance of UNFPA in 2024 and its financial position as at 31 December 2024. This information is provided for activities funded by both regular and other resources. All figures in this document are provisional, subject to external audit and, because of rounding, may not add up to the totals.
2. The statement of financial performance for the year ended 31 December 2024 is provided in annex 1, table 1, for regular, other and total resources. The statement of financial position as at 31 December 2024 is provided in annex 1, table 2.
3. The figures presented have been prepared on the accrual basis of accounting, except for table 2, which presents contributions received by UNFPA (cash basis), and annex 1, table 12, which presents resource utilization in the integrated resource plan on a budgetary comparable basis (modified accrual basis).
4. Throughout the report, reference is made to contribution revenue as ‘gross’ or ‘net’ and gross contributions received. Gross contribution revenue refers to the amounts specified in agreements signed with donors, recognized as revenue consistent with UNFPA accounting policies, regardless of the period of implementation and payment schedule. Net contribution revenue refers to gross contribution revenue reduced by the amount of refunds to donors, cost-recovery charges, allowances for doubtful contributions receivable, and income tax reimbursements to taxpayers of one Member State. Gross contributions received refers to amounts received by UNFPA in its bank account and applied to a specific contribution agreement.

II. Total resources

A. Revenue and contributions received

5. In 2022, a revised accounting policy was introduced, in line with the International Public Sector Accounting Standard (IPSAS), changing the definition of ‘revenue’ and the timing of when revenue was recognized for regular resources. Since 2022, gross revenue for regular resources has been recognized in full at the time an agreement is entered into unless the agreement includes conditions, and the donor has previously enforced such conditions. Where contribution agreements include conditions, UNFPA recognizes a liability, and revenue recognition is deferred until such conditions are met. The impact of the change in policy has been two-fold: (a) revenue for regular resources has been recognized in the year the agreement is signed; and (b) the full value of the agreement has been recognized as revenue, even when the agreement is a multi-year agreement, and the amounts are intended for future years. The revised accounting policy did not change the basis of accounting for other resources. Accordingly, table 1 below presents gross ‘revenue’ for regular resources based on the accounting policy modified in 2022 (prior years have been restated accordingly), along with gross revenue for other resources. The revenue amounts are as reported in the statement of financial performance for the year ended 31 December 2024.

Table 1
Gross contribution revenue for 2021-2024

	<i>Millions of United States dollars</i>			
	2024	2023	2022	2021
Regular resources – gross revenue	231.1	364.1	482.0	525.0
Other resources – gross revenue	1,341.4	1,090.3	1,179.5	1,051.5
Total gross contribution revenue	1,572.5	1,454.4	1,661.5	1,576.5
<i>Other resources, as percentage of total contribution revenue</i>	<i>85.3%</i>	<i>75.0%</i>	<i>70.9%</i>	<i>66.7%</i>
Other revenue*	192.2	222.7	91.5	112.4

*Other revenue for 2021 is stated prior to the introduction of IPSAS 41: Financial instruments. As such, this figure is not comparable to the other revenue figures for 2022, 2023 and 2024.

6. Detailed commentary on regular resources revenue and other resources revenue is provided in section III on regular resources and section IV on other resources, respectively.

7. Other revenue decreased in 2024 by \$30.5 million to \$192.2 million (2023: \$222.7 million). This category comprises mainly net foreign exchange gains, cost recovery charges and income generated by investments. Most of the decrease was attributable to a change from net foreign exchange gains in 2023 to net foreign exchange losses in 2024. These arise primarily from the revaluation of contributions receivable in currencies other than the United States dollar. In addition, with the introduction in 2023 of IPSAS 41: Financial instruments, only net foreign exchange gains are recorded as part of other revenue, with net exchange losses now being reported under other expenses. In 2024, UNFPA recorded net foreign exchange losses of \$48.3 million, because of the strengthening United States dollar in relation to other key contribution currencies, compared to net gains of \$32.3 million in 2023, resulting in a reduction to other income of \$32.3 million.

8. Cost recovery charges also decreased in 2024, by \$3.3 million, to \$71.8 million (2023: \$75.1 million) on account of a slightly lower level of expenses in 2024 than 2023.

9. The above decreases in other revenue were partially offset by an increase in 2024 of \$6.3 million in investment income to \$95.1 million (2023: \$88.8 million). The increase compared to 2023 reflects the higher yield on fixed income securities held in UNFPA investment portfolios. While the financial markets started to see lower bond coupon rates towards the end of the year for newly acquired investments, the higher return was attributable to investments made in previous years that matured during 2024, with associated higher bond coupon returns.

10. Table 2 below presents gross contributions for regular and other resources based on cash received by UNFPA in a bank account and applied to a specific contribution agreement, given that this is more applicable to resource management than revenue.

Table 2
Gross contributions received for 2022 – 2024

<i>Millions of United States dollars</i>			
	<i>2024</i>	<i>2023*</i>	<i>2022</i>
Regular resources – gross	379.5	383.9	437.0
Other resources – gross	1,277.6	1,013.7	1,040.9
Total gross contributions received	1,657.1	1,397.6	1,477.9
<i>Other resources, as percentage of total contributions</i>	<i>77.1%</i>	<i>72.5%</i>	<i>70.4%</i>

* The 2023 gross contribution received figure for other resources has been adjusted for contributions received for joint programmes where UNFPA is the Administrative Agent (\$26.9 million). The figure now reflects only contributions received for UNFPA's implementation role, and excludes funds received on behalf of other UN entities.

11. In 2024, UNFPA gross contributions received surpassed \$1.0 billion for the eighth year in a row.

12. Gross contributions received for regular resources were \$379.5 million (2023: \$383.9 million), exceeding the strategic plan target of \$370.0 million by 2.5 per cent. In 2024, UNFPA received contributions from 83 donors for regular resources (2023: 81 donors), of which the top 10 donors represented 85.2 per cent (2023: 86.0 per cent).

13. In 2024, \$233.5 million or 61.5 per cent of regular resource contributions were received by UNFPA during the first half of the year (2023: \$251.5 million, or 65.8 per cent). UNFPA appreciates early payment of donor contributions as this facilitates more effective management of financial resources by the organization. UNFPA will continue to advocate with donors for early payment of their contributions.

14. Gross contributions received for other resources were \$1,277.6 million (2023: \$1,013.7 million), enabling UNFPA to surpass its strategic plan target of \$933.4 million by 36.9 per cent. Contributions received for thematic trust funds and pooled funds increased by \$47.4 million or 22.4 per cent to \$258.6 million (2023: \$211.2 million), reversing part of the \$79.5 million decline between 2022 and

2023. Resources received through other United Nations organizations decreased by \$40.8 million or 22.2 per cent to \$142.9 million (2023: \$183.7 million) but remained a the third-highest source of donor contributions to UNFPA, reflecting a strong commitment to United Nations development system reform. Contributions received for highly earmarked funding instruments increased by \$162.3 million or 19.7 per cent and amounted to \$984.7 million (2023: \$822.4 million), representing 77.1 per cent of the 2024 gross contributions received for other resources (2023: 79.0 per cent) and 59.6 per cent of all gross contributions received (2023: 57.7 per cent).

15. In 2024, the share of regular resources as a percentage of total gross contributions received was 22.9 per cent (2023: 27.4 percent), below the Funding Compact target of 30 per cent ([A/74/73/Add.1](#)). While both core and non-core contributions received are appreciated by UNFPA, a concern remains that the percentage of regular resources continues to decline, remaining below the United Nations Funding Compact target. This situation impacts programme flexibility and creates higher administrative costs; it also presents challenges and risks to programme planning, implementation and continuity. Therefore, UNFPA continues to advocate with its donors, including through the structured funding dialogue, to increase contributions to flexible funding sources and instruments, especially to regular resources, which remain the bedrock of UNFPA operations.

B. Expenses

16. Total expenses increased by \$17.6 million or 1.2 per cent in 2024, as summarized in table 3 below. The increase in corporate costs is primarily from foreign currency exchange losses on contributions receivable of \$18.6 million (2023: exchange gains were generated, which are included in other income).

Table 3
Total expenses

	<i>Millions of United States dollars</i>		<i>Percentage</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Programme and institutional budget	1,482.0	1,497.6	97.0	99.2
Country programmes, global and regional programmes (GRP) and other programme activities	1,274.3	1,295.8	83.4	85.8
Institutional budget – gross	207.7	201.8	13.6	13.4
Corporate	46.0	12.8	3.0	0.8
Corporate	46.0	12.8	3.0	0.8
Total expenses	1,528.0	1,510.4	100.0	100.0

17. Expenses from the programme and institutional budget resources incurred in furtherance of development outcomes and organizational effectiveness and efficiency outputs, as reflected in the integrated results and resources framework of the UNFPA Strategic Plan, 2022-2025, are summarized in tables 4 and 5 below. As a result of the midterm review of the Integrated Budget, 2022-2025, finalized in 2024, the UNFPA Executive Board endorsed a revised set of indicative resource targets aligned with the outcomes and outputs of the strategic plan. These revised targets are included in tables 4 and 5 below. Since this is the third year of the current strategic plan, three years of information is included within cumulative expenses.

Table 4
Programme and institutional budget expenses,
by outcomes of the integrated results and resources framework

	Indicative resources 2022-2025		Actual 2024	Cumulative 2022 (restated) - 2024	
	<i>Millions of United States dollars</i>	<i>Percentage</i>	<i>Millions of United States dollars</i>	<i>Millions of United States dollars</i>	<i>Percentage</i>
Outcome 1: The reduction in the unmet need for family planning accelerated	2,078.2	40.0	418.7	1,248.9	33.5
Outcome 2: The reduction of preventable maternal deaths accelerated	1,819.1	35.0	290.7	990.9	26.6
Outcome 3: The reduction in gender-based violence and harmful practices accelerated	1,299.1	25.0	537.8	1,489.7	39.9
Total	5,196.4	100.0	1247.2	3,729.5	100.0
Organizational effectiveness and efficiency (OEE)	910.6		234.8	658.3	
Total	6,106.8		1,482.0	4,387.8	

Table 5
Programme and institutional budget expenses,
by outputs of the integrated results and resources framework

	Indicative resources 2022-2025		Actual 2024		Cumulative 2022-2024	
	<i>Millions of United States dollars</i>	<i>Percentage</i>	<i>Millions of United States dollars</i>	<i>Percentage</i>	<i>Millions of United States dollars</i>	<i>Percentage</i>
Development outputs						
Output 1: Policy and accountability	467.7	9.0	73.1	5.9	283.8	7.6
Output 2: Quality of care and services	1,818.7	35.0	589.6	47.3	1,652.7	44.3
Output 3: Gender and social norms	467.7	9.0	212.5	17.0	627.4	16.8
Output 4: Population change and data	623.6	12.0	98.9	7.9	255.9	6.9
Output 5: Humanitarian action	1,558.9	30.0	177.2	14.2	598.4	16.1
Output 6: Adolescents and youth	259.8	5.0	95.9	7.7	311.3	8.5
Subtotal	5,196.4	100.0	1,247.2	100.0	3,729.5	100.0
Organizational efficiency and effectiveness outputs (OEE)						
OEE1: Improved programming for results	204.3	22.4	57.4	24.4	153.8	29.0
OEE2: Optimized management of resources	531.1	58.4	129.5	55.2	367.1	52.0
OEE3: Expanded partnerships for impact	175.2	19.2	47.9	20.4	132.4	19.0
Subtotal	910.6	100.0	234.8	100.0	653.3	100.0
Total	6,107.0		1,482.0		4,382.8	

18. Programme and institutional budget expenses by region are summarized in table 6 below.

Table 6
Programme and institutional budget expenses, by region

	<i>Millions of United States dollars</i>		<i>Percentage</i>	
	2024	2023	2024	2023
Country and regional offices activities	1,177.5	1,193.1	79.4	79.7
East and Southern Africa	254.9	276.4	17.2	18.5
West and Central Africa	202.4	182.8	13.6	12.2
Arab States	229.2	192.3	15.5	12.8
Asia and the Pacific	281.6	315.0	19.0	21.0
Latin America and the Caribbean	95.4	98.8	6.4	6.6
Eastern Europe and Central Asia	114.0	127.9	7.7	8.5
Global activities *	304.5	304.5	20.6	20.3
Total programmes and institutional budget	1,482.0	1,497.6	100.0	100.0

* Expenses for global programmes includes the cost of reproductive health commodities procured by the UNFPA Supplies Partnership programme for distribution to country offices for an amount of \$117.6 million in 2024 and \$133.5 million in 2023.

19. UNFPA remains committed to directing maximum resources towards supporting its field office operations. In 2024, \$1,177.5 million or 79.4 per cent of the total programme and institutional budget expenses were incurred in the field (2023: \$1,193.1 million, or 79.7 per cent). Given the cross-cutting nature of outcomes and outputs in the UNFPA strategic plan, it is important to note that the humanitarian response and expenses are reflected in all outputs of the strategic plan, not just in output 5.

20. Two regions incurred higher expenses in 2024 as compared to 2023. This comprised the Arab States region (an increase of \$36.9 million or 19.2 per cent) and the West and Central Africa region (an increase of \$19.6 million or 10.7 per cent).

21. Four regions incurred lower expenses in 2024 as compared to 2023. The largest rates of decrease were seen in the Eastern European and Central Asia region, which decreased by \$13.9 million or 10.8 per cent; followed by expenses in the Asia region (a decrease of \$33.4 million or 10.6 per cent); the Eastern and Southern Africa region (a decrease of \$21.5 million or 7.8 per cent); and the Latin America and Caribbean region (a decrease of \$3.4 million or 3.5 per cent).

22. Expenses in the Eastern and Southern Africa region decreased by \$21.5 million or 7.8 percent. The largest change in expenses were incurred in Democratic Republic of Congo (reduction of \$13.9 million or 30.6 per cent), Malawi (reduction of \$6.4 million or 35.2 per cent), Mozambique (reduction of \$5.8 million or 22.8 per cent) and Kenya (increase of \$6.9 million or 63.3 per cent).

23. Expenses in the West and Central Africa region increased by \$19.6 million (10.7 per cent). The largest change in expenses were incurred in Cameroon (increase of \$9.5 million or 99.1 per cent), Chad (increase of \$6.8 million or 51.6 per cent), Guinea Conakry (increase of \$3.4 million or 47.6 per cent) and Liberia (decrease of \$1.8 million or 25.6 per cent).

24. Expenses in the Arab States region increased significantly, by \$36.9 million or 19.2 per cent. The largest change in expenses were incurred in the State of Palestine (increase of \$17.0 million or 218.4 per cent), Yemen (increase of \$13.0 million or 35.8 per cent) Sudan (increase of \$10.2 million or 46.2 per cent) and Somalia (decrease of \$16.6 million or 48.8 per cent).

25. Expenses in the Asia and Pacific region decreased \$33.4 million (10.6 per cent). The largest change in expenses were decreases in Afghanistan (\$7.4 million or 7.2 per cent), Pakistan (\$6.9 million or 24.1 per cent), Myanmar (\$6.8 million or 31.2 per cent) and Bangladesh (\$3.7 million or 8.3 per cent).

26. Expenses in the Latin America and Caribbean region decreased by \$3.4 million (3.4 per cent). The largest changes in expenses were in the multi-country Caribbean subregion (decrease of \$3.1

million or 33.3 per cent), Ecuador (decrease of \$1.5 million or 24.0 per cent) and Haiti (increase of \$1.0 million or 9.8 per cent).

27. Expenses in Eastern Europe and Central Asia decreased by \$13.9 million (or 10.8 per cent). The largest changes in expenses were in Türkiye (decrease of \$19.9 million or 63.2 per cent) because of the relocation of \$9.1 million in programmes for the Syria cross-border support, Moldova Republic (increase of \$4.6 million or 38.9 per cent) and Ukraine (increase of \$2.8 million or 5.9 per cent).

28. Expenses for global activities remained the same (\$304.5 million in 2024 versus \$304.5 million in 2023), and included procurement of reproductive health commodities done centrally by the UNFPA Supplies Partnership for subsequent delivery to and distribution to beneficiaries in the programme's priority countries, in the amount of \$117.6 million (2023: \$133.5 million).

29. The business model of the UNFPA Strategic Plan, 2022–2025, classifies all countries/territories where UNFPA operates into three tiers (I, II and III) depending on whether (a) no transformative results have been achieved (tier I), (b) two transformative results have not been achieved (tier II), or (c) one or zero transformative results has not been achieved (tier III).¹ Total programme and institutional budget expenses for 2024 and 2023, by tier, are summarized in table 7 below.

Table 7
Programme and institutional budget expenses, by tier

	<i>Millions of United States dollars</i>	<i>Percentage</i>	<i>Millions of United States dollars</i>	<i>Percentage</i>
	<i>2024</i>	<i>2024</i>	<i>2023</i>	<i>2023</i>
Country expenses	1,103.9	74.5	1,121.8	74.9
Tier I	726.4	49.0	740.2	49.4
Tier II	209.5	14.2	215.5	14.4
Tier III	146.6	9.9	141.7	9.5
Multi-country programmes	21.4	1.4	24.4	1.6
Global and regional programmes	378.1	25.5	375.8	25.1
Regional	73.6	5.0	71.3	4.8
Global	304.5	20.5	304.5	20.3
Total programmes and institutional budget	1,482.0	100.0	1,497.6	100.0

30. Programme expenses funded from regular resources in 58 countries/territories classified as either 'least developed' or 'landlocked developing countries' amounted to \$124.9 million in 2024 (2023: \$140.1 million) or 45.3 per cent of total programme expenses funded from regular resources (2023: 48.0 per cent). This represents a decrease of \$15.2 million or 2.7 per cent, in the percentage of total programme expenses funded from regular resources; this is driven mainly by less available regular resources due to lower contributions. Conversely, programme expenses funded from other resources increased from \$526.7 million in 2023 to \$543.6 million in 2024, resulting in a combined increase of total resources by \$1.7 million (0.3 per cent).

31. Programme expenses in 'small island developing States' (including those classified as 'least developed countries') funded from regular resources amounted to \$17.9 million in 2024, 8.1 per cent more than the \$16.6 million spent in 2023.

32. Expenses for humanitarian interventions in 2024 remained similar to 2023, in absolute terms and as a percentage, at \$ 661.5 million or 51.9 percent, (2023: \$671.1 million or 51.8 percent). Most humanitarian expenses were incurred for outcome 3 (the reduction in gender-based violence and harmful practices has accelerated), namely \$342.9 million (52.4 per cent); in terms of outputs, most of the humanitarian expenses were incurred for output 2 (quality care and services), \$286.2 million (43.7 per cent), and output 5 (humanitarian action), \$175.7 million (26.9 per cent).

¹ UNFPA tier definition and classification, as well as the business model are provided in the UNFPA Strategic Plan, 2022-2025 (DP/FPA/2021/8).

33. UNFPA continues to prioritize gender equality and the empowerment of women and girls in its programme activities. In 2024, \$754.7 million or 59.2 per cent of total programme expenses were incurred to further activities that either had gender equality/women's empowerment as their primary objective or made a significant contribution to gender equality (2023: \$887.2 million or 68.5 per cent).

34. UNFPA works closely with country programme governments and national and international non-governmental organizations to implement its programme activities. Total programme expenses incurred by these partners decreased in 2024, to \$435.8 million or 34.2 per cent of total programme expenses (2023: \$481.5 million or 37.2 per cent). The reduction was primarily attributable to reduced funding available in the Democratic Republic of Congo and Somalia, resulting in less engagement of implementing partners in 2024, compared to 2023.

35. Reflecting UNFPA commitment to the advancement of the United Nations development system reform and collaboration with other United Nations organizations, expenses for programme activities implemented through other United Nations organizations in 2024 amounted to \$10.0 million (2023: \$13.7 million). In 2024 the largest share of expenses with United Nations partners were incurred by UNICEF, UNOPS, UN-Women and the World Food Programme (WFP), collectively \$6.4 million or 59.4 per cent. This was a change from 2023 when the largest share of expenses with United Nations partners were incurred by UNOPS, UNDP, the International Organisation for Migration (IOM) and UN-Habitat, for a total of \$8.4 million or 56.2 per cent.

36. The cost of the collection and management of the resident coordinator system levy under the agency-administered option has been estimated at \$155,000 (2023: \$125,000) and continued to be managed within the existing administrative resources, following the processes established in 2020.

37. Annex 1, tables 3 through 10, present further details of the programme and institutional budget expenses by outcome, output and tier of the Strategic Plan, 2022-2025, and by region, type of assistance, implementation modality and the gender marker; and annex 1, table 11 provides a breakdown of 2024 expenses by country/territory.

38. Table 8 below provides a breakdown of total expenses by their nature.

Table 8
Total expenses, by nature

	<i>Millions of United States dollars</i>		<i>Percentage</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Staff costs	409.7	380.4	26.8	25.2
Reproductive health and other programme supplies	241.2	276.5	15.8	18.3
Cash assistance programmes	8.8	6.0	0.6	0.4
Contracted and professional services	346.4	338.3	22.6	22.4
Development and training of counterparts	137.5	162.5	9.0	10.8
Supplies, materials and operating costs	238.6	258.1	15.6	17.1
Travel	63.7	67.8	4.2	4.5
Other general expenses*	82.1	20.8	5.4	1.3
Total	1,528.0	1,510.4	100.0	100.0

* Including depreciation, amortization, impairment and finance costs.

39. Staff costs increased by \$29.4 million or 7.7 per cent to \$409.7 million (2023: \$380.4 million). The increase was mainly attributable to salary costs for staff employed under National Officer contracts (increase of \$6.5 million), salary and post adjustment costs for staff employed under International Professional contracts (increase of \$14.8 million), an increase in salary costs for staff employed under General Service contracts (increase of \$2.7 million), as well as an increase in contributions to the pension fund of \$4.3 million. These increases were attributable to a change in the

salary scale for a number of locations. The International Civil Service Commission issued increased salary scales for international professional and national officer positions in several locations, given the inflationary pressures experienced in many countries in 2024. This also resulted in increased salary costs for locally recruited staff for countries that completed a local salary survey in 2024. In addition, the global vacancy rate was reduced by 1.0 per cent between 2023 and 2024, contributing to a higher level of salary costs.

40. Expenses for reproductive health commodities and other programme supplies decreased by \$35.3 million or 12.8 per cent to \$241.2 million (2023: \$276.5 million), because of a higher level of inventory still in transit for reproductive health commodities and humanitarian supplies (refer to section VI). The top 10 destinations for distribution of health commodities and programme supplies to implementing partners and beneficiaries in 2024 amounted to \$118.3 million or 49 per cent of total commodities delivered in 2024 (2023: \$130.0 million or 50 per cent).

41. Cash assistance programme expenses increased by 46.6 per cent to \$8.8 million in 2024 (2023: \$6.0 million) albeit that the number of countries implementing cash assistance programmes remained similar, at 36 in 2024 (37 in 2023). The increase in cash assistance delivered in 2024 is primarily due to the scale-up of cash assistance programmes in the State of Palestine and Ukraine.

42. Expenses for contracted and professional services increased by 2.8 per cent to \$346.4 million (2023: \$338.3 million) and continued to be used for contracting entities and personnel to deliver integrated sexual and reproductive health services, including in family planning, maternal health and newborn care, and gender-based violence prevention and response services. The largest cost for contracted and professional services remained salaries for implementing partners, which represented 48.0 per cent and 47.8 per cent of total costs for 2024 and 2023, respectively.

43. Expenses for the development and training of counterparts decreased in 2024 by 15.4 per cent to \$137.5 million (2023: \$162.5 million). Programmes with significant expenses were implemented in Afghanistan, Ethiopia, India, Mozambique, Sudan, Tanzania, Uganda and Zimbabwe. Programme activities represent training activities designed to prevent and respond to gender-based violence, and to support sexual and reproductive health, and the empowerment of youth. A number of countries, particularly those in humanitarian contexts, saw an increase in delivery from 2023, such as in Palestine and Sudan; but more countries noted a scale-down in activities and lower expenses, such as in Cote d'Ivoire, Somalia, Türkiye and Uganda as funding from other resources came to an end.

44. Expenses for supplies, materials and operating costs decreased by \$19.5 million or 7.6 per cent to \$238.6 million (2023: \$258.1 million). This was attributable to a decrease in rent repairs and maintenance of \$4.6 million, primarily due to a reduction in construction services related to programme construction; a decrease in printing and publications of \$3.5 million, a decrease in supplies and materials of \$9.0 million due to a decrease in the purchase of office equipment below the capitalization threshold and in costs related to prefabricated structures; and a decrease in other operating costs of \$8.5 million for reductions across a variety of categories. These decreases were partially offset by an increase in costs for transportation and distribution of \$6.1 million.

45. Expenses for travel decreased in 2024 by \$4.1 million or 6.0 per cent to \$63.7 million (2023: \$67.8 million). These expenses represent the amount spent on travel by both UNFPA and its (United Nations, non-governmental organization, and government) implementing partners, in monitoring and implementing programmes. The decrease between 2023 and 2024 was primarily attributable to a reduction of \$3.7 million in travel costs incurred by UNFPA. This reduction reflects the organization's commitment to decreasing its carbon footprint and maintaining a low percentage of travel costs compared to total costs, while ensuring representation and visibility in advancement of its mission and executing the accountability of UNFPA in the responsible use of voluntary resources through programme monitoring.

46. Other general expenses include finance costs, such as bank charges, depreciation from fixed assets, amortization from intangible assets, impairment losses, expenses related to premises where the right to use the asset has been donated by a government, expenses for doubtful accounts and write offs for assets other than contributions receivable, and losses on foreign currency exchange. This category increased by \$61.3 million or 294.7 per cent to \$82.1 million (2023: \$20.8 million). The increase is primarily due to incurring foreign exchange losses in 2024 of \$45.4 million whereas foreign exchange gains were recorded in 2023 and presented under other income in line with IPSAS 41: Financial

Instruments; an increase of \$12.7 million in the provision for doubtful accounts related to implementing partners to \$12.0 million (2023: release in provision of 0.7 million). This includes provisions for operating fund advances (refer to section VI), provisions for unsupported amounts from assurance activities as well as a provision for an amount advanced for third-party procurement. Significant increases in 2024 include \$3.9 million in Yemen due to banking liquidity issues; \$2.5 million in Liberia due to doubtful expenses by an implementing partner; \$1.9 related to third party procurement where UNFPA incurred costs in advance of payment based on an agreement with the government; and \$1.1 million in India due to the closure of an implementing partner.

C. Fund balances and reserves

47. Reserves and fund balances as at 31 December 2024 increased by 4.7 per cent to \$2,522.2 million (2023: \$2,408.0 million). Details are provided in table 9 below.

Table 9
Reserves and fund balances

	<i>Millions of United States dollars</i>	
	<i>2024</i>	<i>2023</i>
Operational reserve	75.9	76.7
Humanitarian response reserve	5.5	5.5
Reserve for field accommodation	5.0	5.0
Designated regular resources fund balances	90.4	118.9
Undesignated regular and other resources fund balances		
Regular resources	575.5	659.1
Other resources	1,769.9	1,542.9
Total	2,522.2	2,408.0

48. The operational reserve, set at 20.0 per cent of net annual regular resource contributions received, as established in the UNFPA financial regulations and rules, decreased by \$0.8 million or 1.0 per cent, to \$75.9 million, as at 31 December 2024 (2023: \$76.7 million) on account of the lower level of contributions received for regular resources in 2024. The methodology for calculating the operational reserve remains the same as in 2023, which is based on net contributions received. This is to ensure that the reserve level can be held in irrevocable and immediately available liquid assets, as required.

49. The humanitarian response reserve,² which operates as a revolving fund, was used to provide \$6.1 million in pre-financing for humanitarian activities (2023: \$13.1 million) while remaining within the level approved by the Executive Board (\$5.5 million). All pre-financing issued in 2024 was closed and completed by the year-end.

50. The reserve for field accommodation, which also operates as a revolving fund, was used to provide \$1.3 million in funding (2023: \$2.7 million) for leasehold improvements in several countries including Argentina, Burundi, Cameroon and Uganda. The reserve was replenished to the level approved by the Executive Board (\$5.0 million).

51. Designated regular resources fund balances are funds set aside by management for special purposes and not available for programming. This includes fund balances for: (a) supply-chain management services; (b) cost recovery above the budgeted level; (c) information communications technology transformation; (d) the programme continuity fund; and (e) a private endowment trust. The collective balance of these funds decreased by \$28.4 million or 23.9 per cent to \$90.4 million as at 31 December 2024 (2023: \$118.9 million) owing to a transfer of \$18.4 million in cost recoveries above

² The humanitarian response reserve was established by the Executive Board to serve as a source of pre-financing resources for emergency relief interventions, pending the receipt of funding committed in signed donor agreements. The reserve is replenished once donor funding is received.

the budgeted level to the programmable fund balance; the discontinuation of the programme continuity fund, with the associated balance of \$5.0 million transferred back to the programmable fund balance; expenses of \$3.4 million used in the design and implementation of the UNFPA information technology transformation strategy; and \$1.8 million in expenses assigned from a private endowment trust.

52. Undesignated regular resources comprise: (a) the programmable fund balance of \$416.5 million (2023: \$558.0); and (b) after service health insurance and employee benefits funds of \$158.9 million (2023: \$101.0 million). Collectively, these decreased by \$83.6 million or 12.7 per cent to \$575.5 million (2023: \$659.1 million). This decrease was due to the following: excess expenses over revenue of \$169.9 million for the programmable fund balance; replenishment of the reserve for field accommodation of \$1.3 million; partially offset by the release of \$0.8 million from the operational reserve given the decrease in regular resources received in 2024; net transfers of \$28.9 million, primarily from the discontinued programme continuity fund and cost recovery above the budgeted level to the programmable fund balance; excess investment income over expenses for after-service health insurance (ASHI) of \$51.1 million and; an actuarial gain of \$6.8 million on the employee benefits liability.

53. The amount of excess expenses over revenue for regular resources for 2024 of \$125.2 million is a direct result of the change in accounting policy introduced in 2022. Since then, revenue for core resources has been recorded in the year the agreement was signed, including for multi-year agreements, irrespective of when expenses are actually incurred or the year a donor intended the contribution to be made. As a result, revenue for many multi-year agreements (which often align with the strategic plan/integrated budget cycle) were recorded in 2022 and 2023, thereby reducing revenue for 2024 despite the expenses being incurred in 2024, resulting in a distortion in the net surplus/(deficit) for the year.

54. The excess investment income over expenses for ASHI and other end-of-service benefits of \$51.1 million comprises investment income of \$44.8 million (of which \$12.1 million was unrealized at the year-end), and \$6.4 million for the release of excess funding for the annual leave liability less fees charged by the investment manager companies (refer to paragraph 79).

55. Total regular resources funds available for programming as at 1 January 2025 increased by 7.6 per cent to \$207.3 million (2024: \$192.7 million), mainly because of prudent financial management aimed at ensuring the continuity of UNFPA operations for potential funding shortages in future years. As part of risk-mitigating measures against unfavourable revenue trends, these funds will be gradually released for spending in future years, to reduce volatility and enable strategic adjustments in the course of the current and next strategic plan and integrated budget cycle.

56. As at 31 December 2024, undesignated fund balances of other resources increased by 14.7 per cent to \$1,769.9 million (2023: \$1,542.9 million), representing resources received for the implementation of programme activities under multi-year agreements, and future contributions receivable not yet collected of \$661.5 million (2023: \$651.9 million) and thus not available for programming.

D. Integrated budget

57. In decisions 2021/18 and 2024/19, the Executive Board approved the UNFPA integrated budget, 2022-2025 (DP/FPA/2021/9) and its midterm review (DP/FPA/2024/10), aligned with the UNFPA Strategic Plan, 2022-2025. The integrated budget encompasses all cost categories and results of UNFPA within a single, integrated framework.

58. Annex 1, table 12 presents information on the actual utilization of resources for the strategic plan cycle for 2022-2025, noting that this is the third year of the plan. Information presented in this table reflects the modified accrual basis of accounting, consistent with the budget presentation.

E. Cost recovery

59. In decision 2024/24, the Executive Board approved the joint comprehensive cost-recovery policy (DP/FPA/ICEF-UNW/2024/1), including cost-classification categories, methodology and rates,

effective 1 January 2026. The policy reaffirmed a general, harmonized indirect cost-recovery³ rate of 8.0 per cent for contributions to other resources; a differentiated indirect cost-recovery rate for thematic trust funds, government cost-sharing, South-South and private-sector contributions, and legacy agreements; and the UNFPA Executive Director's authority to waive the cost-recovery rates on a case-by-case basis.

60. The Executive Board also requested UNFPA to report on the progress of implementation of the policy, including the financial impact of the harmonized differentiated rates applied and waivers granted, the resulting effective cost-recovery rates and cost-recovery amounts realized, and provide details on each waiver/discount, including the donor and programme name, amount of the contribution, cost-recovery rate and amount of the waiver/discount. This information will be provided in a joint harmonized report, together with UNDP, UNICEF and UN-Women, to be discussed under their structured funding dialogue agenda items at the second regular session each year.

III. Regular resources

61. A summary of revenue, expenses and surplus under regular resources for 2024 and 2023 is presented in table 10 below.

62. The revenue figures for both 2024 and 2023, as stated in table 10, are based on the modified accounting policy introduced in 2022.

Table 10
Revenue, expenses and surplus/(deficit) for the year – regular resources

	<i>Millions of United States dollars</i>	
	2024	2023
Revenue		
Gross revenue for regular resources	231.1	364.1
Less: transfer to other revenue for reimbursement of tax charges	(7.0)	(4.2)
Other revenue	172.9	197.0
Total revenue	397.0	556.9
Expenses		
Programme expenses	275.8	291.8
Country programmes and other programme activities (excluding Emergency Fund)	215.6	230.9
Emergency fund	9.1	10.5
Global and regional programmes	51.1	50.4
Institutional budget expenses	207.7	201.8
Institutional budget expenses *	207.7	201.8
Corporate expenses	38.7	6.2
After-service health insurance and other employee benefits charges (credits) to corporate resources	(6.4)	(2.7)
Other corporate expenses	45.1	8.9
Total expenses	522.2	499.8
Surplus/ (deficit) for the year	(125.2)	57.1

* These amounts represent the total gross institutional budget for 2024 that was partially funded by the indirect cost recovery from other resources in the amount of \$71.8 million (2023: \$55.4 million).

63. In 2024, gross revenue was recorded for 66 donors, amounting to \$231.1 million to UNFPA regular resources (2023: 72 donors; \$364.1 million). The decrease is primarily a result of the change in the revenue recognition policy introduced in 2022, in line with IPSAS, whereby revenue is recognized in full at the time of signing an agreement, unless there are conditions to the contribution. Therefore, revenue is recognized in full for multi-year agreements, in the year the agreement is signed. Many

³ Cost recovery is a mechanism put in place for recovering direct programme costs as well as the costs of running the organization that cannot be directly linked to a programme (indirect costs).

donors that sign multi-year agreements do so at the end of the year prior to the first year of the strategic plan, or in its first year of implementation. A large majority of multi-year agreements for the current UNFPA Strategic Plan, 2022-2025 were signed in 2021 or 2022; with far fewer signed in 2023 or 2024. It was, therefore, expected that revenue recorded would decrease between 2023 and 2024. UNFPA appreciates the donor commitments afforded to it through the use of multi-year agreements, which remain essential for effective advance planning and resource management.

64. Other revenue decreased by \$24.1 million or 12.2 per cent to \$172.9 million (2023: \$197.0 million). The main components of other revenue in 2024 relate to: (a) indirect cost-recovery charges and fees for support services, amounting to \$71.5 million in 2024 (2023: \$74.9 million), a decrease primarily attributable on the lower level of expenses incurred for other resources; and (b) net investment income of \$86.6 million (2023: \$82.7 million), as an outcome of the higher yield on fixed income securities and increase in the market value of bonds and equities held in the UNFPA investment portfolios. However, despite the significant increase in net investment income, changes in the exchange rates for major currencies against the United States dollar, resulted in generating exchange losses in 2024, against an exchange gain of \$22.4 million in 2023. The losses for 2024 are reported under expenses as a result of introducing IPSAS 41 in 2023, hence accounting for a reduction of \$22.4 million in other income between 2023 and 2024.

65. Programme expenses funded from regular resources decreased by \$16.0 million or 5.5 per cent to \$275.8 million in 2024 (2023: \$291.8 million). This was due to lower expenses in most country offices as an outcome of the lower level of regular resources received in 2024; furthermore, in 2023, an additional one-time increase in the regular resource ceilings were issued, resulting in higher expenses in 2023.

66. Expenses funded through the Emergency Fund, the internal funding mechanism approved by the Executive Board to provide UNFPA field offices with initial funding to jump-start humanitarian activities before other resources become available, amounted to \$9.1 million (2023: \$10.5 million), incurred following resource allocations to 33 field offices (2023: 31 field offices). Additionally, \$2.0 million of inventory (2023: \$1.1 million) purchased with funds from the Emergency Fund remained at the year-end. Total amount of expenses and assets amounted to \$11.2 million (2023: \$11.6), which exceeded the original ceiling of \$10.0 million due to an additional exceptional allocation provided to the Emergency Fund, in line with the Executive Board decision 2024/19, reaffirming the existing authorization for the Executive Director to increase the Emergency Fund by up to \$2 million beyond the ceiling in a given year if the number and extent of the emergencies so warrant.

67. Institutional budget expenses increased by 2.9 per cent to \$207.7 million in 2024 (2023: \$201.8 million) due to an increase in staff salary costs of \$5.0 million to \$92.9 million (2023: \$88.0 million), an increase in pension contributions of \$1.4 million to \$21.2 million (2023: \$19.8 million), partially offset by a reduction in non-pension related employee benefit costs of \$1.5 million to \$44.6 million (2023: \$46.2 million); and an 18 per cent reduction in travel expenses of \$0.8 million to \$3.6 million (2023: \$4.4 million). In relation to the salary costs, the increase is attributable to increased salary scales for both international and local positions, as referenced in paragraph 36.

68. The significant increase in corporate expenses to \$38.7 million in 2024 (2023: \$6.2 million) is mainly a consequence of the adoption of IPSAS 41: financial instruments. Under IPSAS 41, exchange losses of \$18.6 million are included in corporate expenses, whereas in 2023, an exchange gain was generated and – based on the accounting standard – presented in other income (refer to paragraph 59). Additionally, provisions for doubtful accounts increased by \$12.8 million in 2024 (2023: release of provision by \$0.8 million), as described in paragraph 43.

69. Annex 1, tables 3 through 10, delineate programme and institutional budget expenses funded through regular resources; these are presented by outcomes and outputs of the integrated results and resources framework of the UNFPA Strategic Plan, 2022-2025, as well as by country tier, type of assistance, implementation modality and the gender marker.

IV. Other resources

70. Other resources comprise trust funds and special funds. Trust funds include thematic funds, United Nations pooled funds⁴ and inter-agency transfers, and other co-financing funds. Special funds include the junior professional officer programme, contributions-in-kind, services for third-party procurement and other funds.

71. A summary of revenue, expenses and annual surplus for other resources for 2024 and 2023 is presented in table 11 below.

Table 11
Revenue, expenses and surplus/(deficit) for the year – other resources

	<i>Millions of United States dollars</i>	
	2024	2023
Revenue		
Gross revenue for contributions	1,341.4	1,090.3
Less: refunds to donors	(25.8)	(33.2)
Less: indirect costs	(71.8)	(75.1)
Less: allowance for doubtful contributions receivable	(24.6)	0.7
Other revenue	19.2	25.7
Total revenue	1,238.4	1,008.4
Expenses		
Programme expenses	998.5	1,004.0
Trust funds	1,070.0	1,078.9
Less: indirect costs	(71.5)	(74.9)
Corporate expenses	7.3	6.6
Special funds	7.6	6.8
Less: indirect costs	(0.3)	(0.2)
Total expenses	1,005.8	1,010.6
Surplus / (deficit) for the year	232.6	(2.2)

72. Total revenue for other resources of \$1,238.4 million increased by 22.8 per cent in 2024, compared to 2023 (2023: \$1,008.4 million). This was primarily due to an increase of \$251.1 million in gross revenue for contributions; indirect costs charged to other resources decreased slightly by \$3.2 million, on account of a slightly lower level of expenses in 2024 than 2023 for other resources; refunds to donors at the expiry or cancellation of a project also decreased by \$7.4 million in 2024, primarily because there were no refunds to donors made for cancelled projects in 2024, whereas two large refunds were made for project cancellations in 2023. These changes were partially offset by an increase of \$25.3 million in the allowance for doubtful contributions receivable, with the increase primarily attributable to contributions from one Member State.

73. Revenue recorded for flexible instruments, such as thematic and pooled funds, increased by 9.5 per cent to \$252.6 million in 2024 (2023: \$230.6 million) but contributions made through United Nations pooled funds and inter-agency transfers decreased by 26.1 per cent to \$135.4 million (2023: \$183.2 million). However, a further increase was seen in other co-financing arrangements, including from donor governments which increased to \$869.3 million in 2024 (2023: \$622.5 million), and a 47.0 per cent increase in funding received from the European Commission to \$79.4 million in 2024 (2023: \$54.0 million).

⁴ United Nations pooled funds are commingled contributions to a multi-entity funding mechanism and not earmarked for a specific United Nations entity. Funds are held by a United Nations fund administrator, and fund allocations are made by a United Nations-led governance mechanism for activities specifically aimed at promoting sustainable development of programming countries, with a focus on long-term impacts.

74. In 2024, 68.4 per cent of gross other resources revenue originated from the top 10 donors, 5 percentage points higher than in 2023, when the top 10 donors accounted for 63.4 per cent of the total.

75. Gross contribution revenue for other resources included \$502.8 million, or 37.5 per cent of the total, for humanitarian purposes, an amount higher than 2023, but a lower percentage of the total funding generated by UNFPA (2023: \$455.6 million or 41.8 per cent). Similar to 2023, significant contributions in 2024 were intended for humanitarian interventions in Afghanistan, Bangladesh, the State of Palestine, Ukraine and Yemen.

76. Other revenue for other resources in 2024 amounted to \$19.2 million (2023: \$25.7 million). This category mainly comprises fees for support services, gains on foreign currency exchange, investment revenue and other miscellaneous amounts. The decrease of \$6.5 million was mainly a result of the change in foreign exchange gains on contributions receivable. As a result of the implementation of IPSAS 41: financial instruments in 2023, net exchange losses are reclassified as an expense, and only net exchange gains are classified as revenue. In 2023, contributions receivable generated a net unrealized exchange gain of \$10.0 million, which was included in other revenue, against a net exchange loss in 2024, which was included in other expenses. This decrease was partially offset by an increase of \$2.4 million in investment revenue for other resources in 2024, compared to 2023.

77. Total programme expenses funded from other resources in 2024 decreased by 0.6 per cent to \$998.5 million (2023: \$1,004.6 million). Annual revenue exceeded annual expenses by \$232.6 million (2023: expenses exceeded revenue by \$2.2 million), owing mainly to timing differences in the recognition of revenue and expenses, as most revenue is recognized upon the signature of binding donor agreements, and expenses are recognized as incurred upon delivery of relevant goods and services.⁵

78. Annex 1, tables 3 through 10, delineate trust fund expenses by outcomes and outputs of the integrated results and resources framework of the UNFPA Strategic Plan, 2022-2025, as well as by country tier, type of assistance, implementation modality and the gender marker.

V. Cash and investments

79. Cash and investments held by UNFPA increased by \$280.7 million (16.4 per cent) to \$1,990.3 million as at 31 December 2024 (2023: \$1,709.6 million). This increase was primarily the result of a higher level of receipts for contribution receivables received in the fourth quarter of 2024 than in 2023 (refer to section VI). Cash and cash equivalents increased by \$23.9 million to \$205.7 million (2023: \$181.8 million); and the value of investments increased by \$256.8 million to \$1,784.6 million (2023: \$1,527.8 million). At the end of 2024, the majority of investments, amounting to \$1,334.2 million, were held in financial instruments in the form of bonds (2023: \$933.3 million), given the ongoing high coupon rates of return; \$225.3 million was held in commercial paper and discount notes (2023: \$172.3 million), \$225.1 million in equities (2023: \$202.1 million); and no funds were held in time deposits (2023: \$85.0 million).

80. Of the total cash and investments, \$674.6 million are restricted in use (2023: \$593.4 million). Of this amount, \$86.4 million has been allocated to reserves (see section C: fund balances and reserves); \$526.2 million has been set aside to fund employee benefits liabilities; \$31.5 million corresponds to the net amount of a private endowment trust; and \$30.5 million is held by UNFPA in its capacity as administrative agent for joint programmes.

81. UNFPA maintains its investments in two separate portfolios. The first, the working capital investment portfolio, designed to meet UNFPA working capital needs and managed by UNDP under a service-level agreement, is limited to investment-grade, highly marketable fixed-income securities, with maturities aligned to UNFPA liquidity requirements. This portfolio, measured at amortized cost, was valued at \$1,593.1million as at 31 December 2024 (2023: \$1,351.3 million) and generated an average yield of 3.8 per cent for the year (2023: 3.0 per cent).

⁵ A summary of UNFPA accounting policies is provided in note 2 to the UNFPA financial statements.

82. The second portfolio is for after-service health insurance liabilities and other end-of-service entitlements. This portfolio is further subcategorized into two other separate portfolios, established in 2016 and 2021 jointly with several other United Nations organizations and managed by two independent investment managers, which invest resources allocated for funding after-service health insurance liabilities and other end-of-service entitlements in diversified, higher-yielding financial instruments, similar in composition to the investments held by the United Nations Joint Staff Pension Fund, comprising primarily fixed-income securities and equities. Since its inception, UNFPA transferred \$220.0 million to this portfolio; no additional transfers were made in 2024. The combined fair market value of both portfolios was \$373.3 million as at 31 December 2024 (2023: \$346.2 million), after annual rates of return ranging between 7.0 per cent and 15.5 per cent for the end-of service portfolio in 2024 (2023: 13.9 per cent to 16.7 per cent); and between 7.1 per cent and 15.7 per cent for the after-service health insurance portfolio in 2024 (2023: 14.0 per cent to 17.0 per cent).

VI. Other major assets and liabilities

83. The net value of inventories of reproductive health commodities and other programme-related supplies held for delivery to partners and distribution to beneficiaries or sale to third parties increased to \$111.5 million as at 31 December 2024 (2023: \$103.5 million). This was mainly due to a higher value of reproductive health goods being in transit at the year-end, which increased by 45.4 per cent to \$73.2 million (2023: \$50.3m), partially offset by a lower value of goods held in stock, which decreased by 22.4 per cent to \$42.2 million (2023: \$44.4 million), and a higher provision for inventory losses, which increased from \$3.0 million in 2023 to \$5.2 million in 2024. The higher level of goods in transit in 2024, compared to 2023, was due to higher procurement volume taking place in the fourth quarter of 2024, including in humanitarian settings, such as Afghanistan, the Democratic Republic of Congo, Ethiopia, Malawi, Nigeria, Sudan and Tanzania, as well as the various impact of restrictions and disruptions to the supply chain, including local and regional conflicts impacting shipping routes. Higher procurement volume in the fourth quarter is often driven by the timing of when the funding is received, as UNFPA cannot enter into obligations (issue purchase orders) before an agreement is signed and cash is received. The provision for inventory losses was increased in 2024 for areas of conflict or civil unrest in Syria and Sudan. Provisions were made as a result of looting or damage occurring, inventory expiration, the degradation in the quality of the inventory or a lack of access to the affected warehouses.

84. Net contributions receivable (current and non-current combined) decreased by 16.1 per cent to \$811.9 million as at 31 December 2024 (2023: \$967.4 million). Contributions received and deposited in the fourth quarter amounted to \$575.5 million (2023: \$321.2 million), with the majority for other resources. This increased the cash and investments at the year-end and decreased the contributions receivable at the end of 2024, as compared to 2023. Additionally, a large number of multi-year agreements were signed in 2022 and 2023 for a three- or four-year period at the start of the UNFPA strategic plan. As a result of the modified accounting policy introduced in 2022, contributions receivable were recorded for the full amount of the multi-year agreement at the time the agreements were signed, resulting in a higher contributions receivable balance in the earlier years of the new strategic plan, and subsequently reducing in later years as contributions have been received.

85. Contributions receivable are presented net of allowances for doubtful accounts of \$30.7 million (2023: \$4.1 million), established after a careful review of all receivables for collectability and to release any previous provisions no longer required. Most of the increase in the provision for doubtful accounts for 2024 relates to an increase of \$25.0 million for contributions receivable from one Member State which were deemed doubtful, based on communication received in 2025. The provision for contributions receivable has been made in 2024 for any agreement signed prior to the year-end where the contribution was not received in 2025. As a result of the termination notices received in early 2025 for agreements signed with one Member State, in 2025 UNFPA will make further provisions for new agreements signed in 2025 for which the funding had not been received. UNFPA will also process refunds after the orderly closure of 2024 and 2025 agreements for which funding had been received but the projects were terminated during their implementation. These will result in significant contraction of programme activities, primarily in humanitarian settings.

86. Gross operating fund advances outstanding at the year-end increased by \$7.1 million to \$30.4 million as at 31 December 2024 (2023: \$23.3 million). The majority of this increase relates to gross advances outstanding from intergovernmental institutions and non-governmental organizations, which increased by \$4.6 million to \$18.4 million as at 31 December 2024 (2023: \$13.8 million) based on outstanding advances for several implementing partners in Yemen that have been fully provided for. Additionally, gross advances outstanding held by United Nations organizations implementing programme activities on behalf of UNFPA increased by \$1.9 million to \$7.7 million as at 31 December 2024 (2023: \$5.9 million). Provisions for doubtful amounts also increased from \$1.0 million in 2023 to \$6.2 million in 2024 primarily as the result of a banking liquidity issue in Yemen, a non-governmental organization (NGO) closing down in India and assurance activities related to an NGO in Sudan.

87. Accounts payable and accruals increased by \$22.8 million to \$174.5 million as at 31 December 2024 (2023: \$151.7 million). This was primarily the result of an increase of \$3.7 million in accrued liabilities, an increase of \$8.8 million in advances from procurement activities, an increase of \$10.4 million in amounts held on behalf of joint programmes, and an increase of \$2.0 million in amounts to be refunded to donors at the expiry of funding. This was partially offset by a decrease in reimbursements due to implementing partners, based on reporting at the year-end of 2.5 million.

88. Liabilities for amounts to be reimbursed to implementing partners relates to amounts owed to implementing partners, based on reports submitted as at 31 December for work completed in 2024. Liabilities for third-party procurement relate to procurement services where funds have been received but the procurement has not been completed as at the reporting date, indicating that a higher proportion of procurement services were requested earlier in the year and completed during 2023 than in 2024. Additionally, refunds to donors relate to the balance of resources to be returned to a donor at the completion of the donor agreement.

89. A full actuarial valuation was conducted for year-end 2023, as led by the United Nations Secretariat, and a roll forward of this valuation was completed for 2024. Employee benefits liabilities (current and non-current combined) increased by \$15.4 million or 4.4 percent in 2024 to \$367.3 million as at 31 December 2024 (2023: \$351.9 million). The largest portion of the liability relates to the after-service health insurance (ASHI) liability, valued at \$285.7 million in 2024 (2023: \$274.0 million). The net increase of this liability results primarily from the net service and interest cost accrued in 2024 of \$22.7 million; actuarial gain of \$33.5 million, due to an increase in the interest rates used to calculate the net present value of the benefits, offset by actuarial loss of \$26.9 million arising from changes in inflation rates. Valuation of this liability is heavily impacted by changes in annual interest rates. If current projections of central bank interest rate cuts materialize in 2025, the ASHI liability is expected to increase again.

90. Employee benefits liabilities remain fully funded at 31 December 2024, with a surplus of \$158.9 million (2023: surplus, \$101.0 million). The surplus is partially attributable to the high interest rates used in the actuarial valuations in 2023 and 2024, the changes in per-capita claim amounts and demographic assumptions incorporated in the actuarial valuations in 2023, the strong performance of the after-service health insurance investment portfolio, as well as the strategy put in place by UNFPA to fund employee benefits liabilities. The funding level is highly sensitive to future trends and events that affect the key financial assumptions used for the measurement of the liabilities, and the excess funding level is expected to reverse once fiscal policies for inflation change and global interest rates reduce, which will increase the liability amounts. Additionally, any significant volatility in the financial markets will have a direct result in the value of the UNFPA investment portfolio for employee benefit funding. UNFPA will engage in an asset and liability study to assess the situation to ensure that liabilities remain fully funded, as far as possible, without the build-up of significant surpluses.

VII. Conclusion

91. UNFPA closed 2024 in strong financial health owing to the continued support of its donors and sound financial management practices, including processes and controls designed to keep expenses within the available financial resources. The outlook for 2025 and beyond continues to be fluid and increasingly concerning, due to changes in the geopolitical context, an increase in the need for humanitarian interventions due to protracted and emergent conflicts, and continued pressure on

funding. Shifting donor priorities and operational challenges may impact the ability of UNFPA to generate revenue and implement its programme activities. The Fund will remain agile, innovative and results-oriented, adapting as required, to achieve its strategic priorities, as captured in the Strategic Plan, 2022-2025. UNFPA continues to rely on the support of its donors to provide timely inflows of predictable contribution revenue, especially from regular resources, which are critical for enabling UNFPA operations and the achievement of its strategic results.
