

## **TDR certified financial statement for the year ended 31 December 2020**

**Agenda item:** 5.

**Action / Information:** JCB is invited to review and endorse the report

**Purpose:** This document presents financial information for the year 2020, certified by WHO.

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## Certification of financial statement

The following tables numbered 1 and 2 and related notes have been reviewed and approved.



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18 May 2021

## Trust Fund for the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases

**Table 1: Statement of financial performance**

*For the year ended 31 December 2020*

*(In thousands of US dollars)*

Description	Notes	2020	2019
<b>Fund balance as at 1 January</b>		<b>24 121</b>	<b>30 557</b>
<b>REVENUE</b>	3.1		
Voluntary contributions		19 562	13 533
WHO contributions		1 800	700
Other funding from WHO		502	326
Interest earned		417	627
<b>Total revenue</b>		<b>22 281</b>	<b>15 186</b>
<b>EXPENSES</b>	3.2		
Staff costs		7 185	7 209
Contractual services, transfers and grants		6 640	11 833
Travel		254	1 391
General operating expenses		478	392
WHO administrative costs		577	797
<b>Total expenses</b>		<b>15 134</b>	<b>21 622</b>
<b>Fund balance as at 31 December</b>	3.3	<b>31 268</b>	<b>24 121</b>

## Notes to the financial statement

### 1. Basis of preparation

The financial results of TDR are consolidated within the General Fund of the World Health Organization (WHO). Revenue and expenses for the TDR Trust Fund are recorded in a separate fund to allow for financial reporting. A separate balance sheet is not available for TDR as all balance sheet transactions are managed in one set of ledgers for WHO.

The TDR statement of financial performance has been extracted from WHO accounts and all transactions have been recorded in accordance with relevant WHO accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

### 2. Significant accounting policies

For a full set of accounting policies, please refer to the WHO Audited Financial Statement for the year ended 31 December 2020 (see document A74/29<sup>1</sup>). The policies below support TDR's statement of financial performance.

#### 2.1 Revenue

Revenue is recognized following the established criteria of IPSAS 23 (Revenue from Non-Exchange Transactions).

Revenue from voluntary contributions is recorded when a binding agreement is signed by WHO and the contributor. When an agreement contains "subject to" clauses, WHO does not consider the agreement to be binding and does not record the revenue and amount receivable until the cash is received. Where there are no payment terms specified by the contributor, or payment terms are in the current accounting year, revenue is recognized in the current period. Where payment terms specify payment after the year end, the amount is reported as *deferred* revenue.

Deferred revenue is reported on the WHO balance sheet as a liability and is released in the period in which it falls due.

#### 2.2 Expenses

WHO recognizes expenses at the point where goods have been received or services rendered (delivery principle) and not when cash or its equivalent is paid.

#### 2.3 Budget comparison

TDR's budgets are prepared on a biennial basis. Refer to table 3 for budget comparison.

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<sup>1</sup> Available shortly at [https://apps.who.int/gb/e/e\\_wha74.html](https://apps.who.int/gb/e/e_wha74.html)

### 3. Supporting information to the TDR statement of financial performance

#### 3.1 Revenue

- Voluntary contributions

Voluntary contributions in 2020 totalled US\$ 19.6 million (US\$ 13.5 million in 2019). These contributions represent revenue recognized from governments, intergovernmental organizations, institutions and other United Nations organizations. For details of revenue by contributor, refer to table 2.

The increase in revenue in 2020 compared to 2019 is mainly due to Sweden's contribution for the 2018/19 biennium having been paid and therefore recognized in 2018, along with an increase in project specific funding from the United Kingdom of Great Britain and Northern Ireland.

Deferred revenue represents multi-year agreements signed in 2020 or prior years but for which the revenue recognition has been deferred to future financial periods. As at 31 December 2020, deferred revenue amounted to US\$ 15.7 million (US\$ 1.4 million in 2019).

#### Deferred revenue by contributor

(In thousands of US dollars)

	2020	2019
Germany	2 642	1 222
Sweden	9 144	
Switzerland	3 862	185
Medicines Development for Global Health Limited (MDGH)	66	
<b>Total deferred revenue</b>	<b>15 714</b>	<b>1 407</b>

- WHO contributions

Contributions from WHO are recognized on the basis of expenditure; US\$ 1.8 million has been recognized in 2020 (US\$ 0.7 million in 2019). This is the full contribution for the biennium 2020-2021.

- Other funding from WHO

Other contributions from WHO reflect implementation of research projects on behalf of other technical areas within WHO. These contributions are recognized on the basis of expenditure. US\$ 0.5 million has been recognized in 2020 (US\$ 0.3 million in 2019).

- Interest allocation

Interest earned in 2020 was US\$ 0.4 million (US\$ 0.6 million in 2019). This represents income received from the investment of TDR funds by WHO.

### 3.2 Expenses

Lower operational expenditure in the first year of the biennium and higher expenditure in the second year reflects the normal biennial cycle.

- **Staff costs**

US\$ 7.2 million in 2020 (US\$ 7.2 million in 2019) reflects the total cost of employing staff, including charges for base salary, post adjustment and other entitlements, e.g. pension and insurance.

- **Contractual services, transfers and grants**

US\$ 6.6 million in 2020 (US\$ 11.8 million in 2019) represents expenses for service providers. The main components are:

- Letters of Agreement for research or capacity building grants issued to individuals and institutions;
- Agreements for Performance of Work, consulting contracts given to individuals to perform activities on behalf of TDR;
- Technical Services Agreements that relate to collaborative research activities between TDR and various institutions, universities and laboratories; and
- Expenses for fellows supported by TDR. The main components include stipends, education allowance, travel and insurance. Expenses for training of grantees who are not fellows is also included.

- **Travel**

US\$ 0.3 million in 2020 (US\$ 1.4 million in 2019) reflects the cost of travel for TDR staff, non-staff participants in meetings, consultants and representatives of TDR's governing and advisory bodies. Travel expenses include airfares, per diem and other travel-related costs. This amount does not include statutory travel for home leave or education grants that is accounted for within staff costs. The reduction year on year reflects the impact of COVID-19.

- **General operating expenses**

US\$ 0.5 million in 2020 (US\$ 0.4 million in 2019) reflects the general running costs to maintain the office, including utilities, printing, IT hardware and software, telecommunications (fixed telephones, mobile phones, internet and global network expenses) and office rental.

- **WHO administrative costs**

US\$ 0.6 million in 2020 (US\$ 0.8 million in 2019) reflects the apportionment of WHO administration and management costs. TDR pays administrative costs in accordance with World Health Assembly resolution 34.17.

### 3.3 Fund balance at end of year

The end of year fund balance of US\$ 31.3 million includes US\$ 12 million working capital (set aside as personnel liability as recommended by WHO), US\$ 3.9 million in legally binding commitments, US\$ 5.3 million planned for 2020–2021 implementation of projects with specified funds and US\$ 10.1 million balance of core funding to be utilized in the remainder of the biennium.

**Table 2: TDR revenue 2016–2020**

(In thousands of US dollars)

CONTRIBUTORS	2016	2017	2018	2019	2020
<b>Member States</b>					
Belgium	1 115	721	708	708	708
China	55	55	55	110	
Cuba	5	5			
Germany	666	901	876	1 016	1 361
India	110		55	55	55
Japan	280	280	200	100	
Luxembourg	1 134	1 074	1 273	1 226	1 695
Malaysia	25	25	25	25	25
Mexico	30	10	20	10	10
Nigeria	303				
Norway	952	379	357	325	339
Panama		14	7	7	
Spain	42			112	119
Sweden	4 031	5 650	11 168	472	4 682
Switzerland	1 814	1 677	2 163	1 689	1 995
Thailand	42	42	93		48
Turkey	5	5	5		
United Kingdom of Great Britain and Northern Ireland	3 053	3 726	5 741	4 567	6 471
United States of America	628	1 254	697	358	
<b>Total - Member States</b>	<b>14 290</b>	<b>15 819</b>	<b>23 443</b>	<b>10 780</b>	<b>17 508</b>

1. The core contribution from the Government of Sweden for the two years 2018 and 2019 was recognized in full in 2018, in accordance with the terms of the agreement.

CONTRIBUTORS	2016	2017	2018	2019	2020
Bill & Melinda Gates Foundation	2 081	1 338	1 968	1 771	1 200
International Union against Tuberculosis and Lung Disease (IUATLD)	340	100			
Medicines Development for Global Health Limited (MDGH)					135
United Nations Development Programme (UNDP)	1 195		1 061	980	650
University of Oxford					67
Miscellaneous *	( 294)	352	1	1	1
Refunds to donors			( 6)		
<b>Total - Voluntary contributions</b>	<b>17 611</b>	<b>17 609</b>	<b>26 467</b>	<b>13 533</b>	<b>19 562</b>
WHO Assessed Contribution	802	967	1 100	700	1 800
WHO Other Funding		113	66	326	502
Interest	157	301	319	627	417
<b>Grand total</b>	<b>18 570</b>	<b>18 990</b>	<b>27 952</b>	<b>15 186</b>	<b>22 281</b>

1. The contribution from UNDP for the period 2016–2018 was recognized in 2016.
2. Negative amounts in 'miscellaneous' represent a decrease in the revenue recognized in a prior period due to changes in contractual terms or a reduction in amounts receivable.



**Table 3: Statement of comparison of budget and expenses for first year of the biennium 2020–2021**

(In thousands of US dollars)

Expected result	Description	Programme budget (\$40m) 2020–2021	Revised planned costs 2020–2021	Expenses 2020–2021	Implementation (%)
<b>Research for implementation (IMP)</b>					
1.1.1	Country preparedness for disease outbreaks	150	150	7	5%
1.1.4	Country resilience to the threat of drug-resistant infections	3 500	4 500	770	17%
1.3.3	Vector-borne diseases and climate change in Africa	700	500	183	37%
1.1.7	Maximized utilization of data for public health decision-making	210	525	200	38%
1.1.8	Maximized utilization of safety information for public health decision making	420	960	333	35%
1.2.1	Strategies to achieve and sustain disease elimination	760	764	18	2%
1.2.6	Optimized approaches for effective delivery and impact assessment of public health interventions	850	2 241	528	24%
1.3.12	Gender responsive health interventions	600	400	34	8%
1.1.5	Directions for development and accelerated access to new tools and strategies	110	110	3	3%
1.3.10	Urban health interventions for control of vector-borne diseases	150	150	3	2%
1.3.14	Testing of innovative strategies for vector control	900	700		
1.3.11	Multisectoral approach on malaria control	400	1 400	112	8%
<b>Sub-total IMP (a)</b>		<b>8 750</b>	<b>12 399</b>	<b>2 190</b>	<b>18%</b>
<b>Research capacity strengthening (RCS)</b>					
2.1.1.1	TDR support to regional training centres	1 250	1 690	297	18%
2.1.2	Targeted research training grants (MSc, PhD)	3 550	3 951	1 021	26%
2.1.4	Career development fellowship grants	2 400	2 700	919	34%
2.1.6	Structured capacity building in IR (ADP)	1 000	426	99	23%
<b>Sub-total RCS (b)</b>		<b>8 200</b>	<b>8 767</b>	<b>2 335</b>	<b>27%</b>

Expected result	Description	Programme budget (\$40m) 2020–2021	Revised planned costs 2020–2021	Expenses 2020–2021	Implementation (%)
<b>Global engagement</b>					
1.3.5	Research on social innovation to enhance healthcare delivery	350	1 389	561	40%
2.1.1.2	Regional office collaboration and small grants	1 100	1 200	38	3%
2.2.1	Shaping the research agenda	200	268	83	31%
2.2.2	Capacity strengthening to bring research evidence into policy	200	100	6	6%
2.3.1	Collaborative networks and engagement with global health initiatives	200	300	36	12%
2.3.3	TDR Global	300	300	23	8%
2.3.4	Effective engagement in gender and equity	100	200	50	25%
<b>Sub-total Global engagement (c)</b>		<b>2 450</b>	<b>3 757</b>	<b>798</b>	<b>21%</b>
<b>Strategic development fund (d)</b>		<b>700</b>	<b>700</b>	<b>192</b>	<b>27%</b>
<b>Sub-total Operations (e = sum [a:d])</b>		<b>20 100</b>	<b>25 623</b>	<b>5 515</b>	<b>22%</b>
<b>Operational support</b>					
	Governance meetings	360	100	28	28%
	Director's activities	100	60	2	3%
	Advocacy and communication	240	260	100	38%
	Resource mobilization	100	80	9	11%
	Portfolio planning, monitoring and evaluation	155	30	21	72%
	Financial planning, monitoring and evaluation	40			
	Staff development	95	95	37	38%
	Running costs	720	650	295	45%
	IS / IT platforms	250	760	596	78%
	WHO administrative charges	1 840	1 800	473	26%
<b>Sub-total operational support (f)</b>		<b>3 900</b>	<b>3 835</b>	<b>1 561</b>	<b>41%</b>
<b>Staff costs (g)</b>		<b>16 000</b>	<b>14 500</b>	<b>7 118</b>	<b>49%</b>
<b>Total (h = sum [e:g])</b>		<b>40 000</b>	<b>43 958</b>	<b>14 193</b>	<b>32%</b>

Expected result	Description	Programme budget (\$40m) 2020–2021	Revised planned costs 2020–2021	Expenses 2020–2021	Implementation (%)
<b>Timing differences</b>					
	Expenses transferred from prior biennium workplans			112	
	Expenses charged to prior biennium workplans			828	
	<b>Expenses related to prior biennium workplans</b>			<b>940</b>	
	<b>Total expenses as per the Statement of Financial Performance (Statement I)</b>	<b>40 000</b>	<b>43 958</b>	<b>15 134</b>	<b>34%</b>

1. Implementation reflects all expenditures recorded in the WHO accounts.
2. Funds utilized as presented in the financial management report (US\$ 17.8 million) includes expenses as well as commitments (encumbrances) of US\$ 3.5 million but excludes expenses charged on prior biennium workplans (US\$ 0.8 million).