

## **TDR certified financial statement for the year ended 31 December 2023**

**Agenda item:** 3.5

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

**Purpose:** This document presents financial information for the year 2023, certified by the World Health Organization.

## Certification of financial statement

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



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8 May 2024

## 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 2023*

*(In thousands of US dollars)*

| Description                                | Notes | 2023          | 2022          |
|--|-------|---------------|---------------|
| <b>Fund balance as at 1 January</b>        |       | <b>41 098</b> | <b>32 422</b> |
| <b>REVENUE</b>                             | 3.1   |               |               |
| Voluntary contributions                    |       | 12 159        | 23 691        |
| WHO contributions                          |       |               | 2 800         |
| Other funding from WHO                     |       | 181           | 80            |
| Interest earned                            |       | 1 736         | 55            |
| <b>Total revenue</b>                       |       | <b>14 076</b> | <b>26 626</b> |
| <b>EXPENSES</b>                            | 3.2   |               |               |
| Staff costs                                |       | 6 169         | 6 975         |
| Contractual services, transfers and grants |       | 8 665         | 9 480         |
| Travel                                     |       | 1 211         | 625           |
| General operating expenses                 |       | 234           | 224           |
| WHO administrative costs                   |       | 566           | 646           |
| <b>Total expenses</b>                      |       | <b>16 845</b> | <b>17 950</b> |
| <b>Fund balance as at 31 December</b>      | 3.3   | <b>38 329</b> | <b>41 098</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 2023 (see document A77/20<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 between 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> [https://apps.who.int/gb/ebwha/pdf\\_files/WHA77/A77\\_20-en.pdf](https://apps.who.int/gb/ebwha/pdf_files/WHA77/A77_20-en.pdf)

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

#### 3.1 Revenue

- **Voluntary contributions**

Voluntary contributions in 2023 totalled US\$ 12.2 million (US\$ 23.7 million in 2022). 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 decrease in revenue in 2023 is due to reduced contributions from Germany, Sweden and the United States Agency for International Development (USAID), along with exceptional one-off contributions in 2022 from the United Kingdom of Great Britain and Northern Ireland and Nigeria (eight years of contributions paid in one year).

Deferred revenue represents multi-year agreements signed in 2023 or prior years but for which the revenue recognition has been deferred to future financial periods. As at 31 December 2023, deferred revenue amounted to US\$ 9.7 million (US\$ 8.9 million in 2022).

#### Deferred revenue by contributor

*(In thousands of US dollars)*

|   | 2023         | 2022         |
|---|--------------|--------------|
| Belgium   | 681          | 1 362        |
| Bill & Melinda Gates Foundation                 | 6 593        | 6 593        |
| Luxembourg                                      | 413          | 827          |
| Medicines Development for Global Health Limited |              | 8            |
| Sweden  |              | 60           |
| Switzerland                                     | 2 036        |              |
| <b>Total deferred revenue</b>                   | <b>9 723</b> | <b>8 850</b> |

- **WHO contributions**

Contributions from WHO are recognized on the basis of expenditure; the full US\$ 1.8 million contribution for the biennium 2022–2023 was recognized in 2022, as well as an exceptional, one-off payment of US\$ 1.0 million.

- **Other funding from WHO**

Other contributions from WHO include Implementation of research projects on behalf of other technical areas within WHO. These contributions are recognized on the basis of expenditure. US\$ 0.2 million was recognized in 2023 (US\$ 0.1 million in 2022).

- **Interest allocation**

Interest earned represents income received from the investment of TDR funds by WHO.

### **3.2 Expenses**

- **Staff costs**

US\$ 6.2 million in 2023 (US\$ 7.0 million in 2022) reflects the total cost of employing staff, including charges for base salary, post adjustment and other entitlements, e.g. pension and insurance. Of this, US\$ 0.1 million in 2023 (US\$ 0.3 million in 2022) reflects the cost of non-TDR staff in other WHO offices and departments working on TDR activities funded by designated funds.

- **Contractual services, transfers and grants**

US\$ 8.7 million in 2023 (US\$ 9.5 million in 2022) represents expenses for service providers. The main components are:

- Agreements for Performance of Work, contracts to perform activities on behalf of TDR.
- Letters of Agreement for research or capacity building grants issued to institutions.
- Technical Services Agreements that relate to collaborative research activities between TDR and various institutions, universities and laboratories.
- 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.
- Consulting contracts given to individuals to support implementation of activities.

- **Travel**

US\$ 1.2 million in 2023 (US\$ 0.6 million in 2022) reflects the cost of travel for TDR staff, non-staff fieldwork and participants in meetings, experts 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 higher level of cost in 2023 reflects the phasing out of travel restrictions and the reintroduction of physical meetings post pandemic.

- **General operating expenses**

US\$ 0.2 million in 2023 (as in 2022) 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 2023 (as in 2022) 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\$ 38.3 million includes:

Committed funds of US\$ 5.8 million, including :

- US\$ 2.8 million funding legally binding commitments as at 31 December 2023.
- US\$ 0.6 million required to finalize undesignated activities delayed from 2023.
- US\$ 2.4 million designated funds for planned project specific activities in 2024–2025.

2024–2025 funding of US\$ 2.4 million, including:

- US\$ 0.6 million advance payment for 2024.
- US\$ 1.8 million outstanding interest for the period 2022–2023 to be operationalized in 2024–2025 budget once received.

Funds reprogrammed from 2022–2023 to support 2024–2025 workplan of US\$ 18.1 million, including:

- US\$ 11.0 million strategic reprogramming of 2022–2023 undesignated funds in excess of the US\$ 40 million budget scenario, to mitigate the anticipated funding gap in 2024–2025, as requested by the Standing Committee.
- US\$ 2.7 million savings from 2022–2023 operationalized in the 2024–2025 budget.
- US\$ 2.3 million one-off back payment of interest relating to ten years between 2008 and 2021, to be operationalized in 2024–2025
- US\$ 2.1 million in 2023 contributions received after year-end expenditure cut-off.

Set aside as personnel liability, as recommended by WHO and approved by TDR's Joint Coordinating Board in 2014:

- US\$ 12.0 million working capital.

Table 2. TDR revenue 2018–2023

(In thousands of US dollars)

| CONTRIBUTORS   | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Member States</b>                                 |               |               |               |               |               |               |
| Belgium  | 708           | 708           | 708           | 676           | 681           | 681           |
| China  | 55            | 110           |               | 220           | 55            |               |
| Germany  | 876           | 1 016         | 1 361         | 2 474         | 982           |               |
| India  | 55            | 55            | 55            | 55            | 55            | 55            |
| Japan  | 200           | 100           |               | 50            | 50            | 50            |
| Luxembourg   | 1 273         | 1 226         | 1 695         | 1 736         | 1 569         | 1 598         |
| Malaysia   | 25            | 25            | 25            | 25            | 25            | 25            |
| Mexico   | 20            | 10            | 10            | 10            | 10            | 10            |
| Nigeria  |               |               |               |               | 1 697         |               |
| Norway   | 357           | 325           | 339           | 349           | 306           | 306           |
| Panama   | 7             | 7             |               | 14            | 7             | 7             |
| Spain  |               | 112           | 119           | 113           |               | 322           |
| Sweden   | 11 168        | 472           | 4 682         | 5 995         | 4 677         | 1 353         |
| Switzerland  | 2 163         | 1 689         | 1 995         | 1 925         | 1 937         | 1 941         |
| Thailand   | 93            |               | 48            | 50            | 45            | 44            |
| Turkey   | 5             |               |               |               |               |               |
| United Kingdom of Great Britain and Northern Ireland | 5 741         | 4 567         | 6 471         | 4 208         | 7 340         | 3 9884        |
| United States of America                             | 697           | 358           |               | 987           | 1 787         |               |
| <b>Total – Member States</b>                         | <b>23 443</b> | <b>10 780</b> | <b>17 508</b> | <b>18 887</b> | <b>21 223</b> | <b>10 276</b> |

1. The core contribution from the Government of China for the two years 2020 and 2021 was recognized in full in 2021 due to timing of receipt of funds.
2. 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.
3. The core contributions from the Government of Nigeria for nine years between 2015 and 2023 were recognized in full in 2022.
4. The core contribution from the Government of Spain for the two years 2022 and 2023 was recognized in full in 2023 due to timing of receipt of funds.



(In thousands of US dollars)

| CONTRIBUTORS                                     | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Bill & Melinda Gates Foundation                  | 1 968         | 1 771         | 1 200         | 1 133         | 1 601         |               |
| International Development Research Centre (IDRC) |               |               |               |               |               | 151           |
| Karolinska Institutet, Sweden                    |               |               |               |               |               | 307           |
| Medicines Development for Global Health Limited  |               |               | 135           | 93            | 47            | 8             |
| Robert Koch Institute                            |               |               |               | 58            | 419           | 272           |
| United Nations Development Programme (UNDP)      | 1 061         | 980           | 650           | 1 352         | 405           | 1 144         |
| University of Oxford                             |               |               | 67            |               |               |               |
| United Nations Peace and Development Trust Fund  |               |               |               | 406           |               |               |
| Miscellaneous                                    | 1             | 1             | 1             | 1             | -4            | 1             |
| Refunds to donors                                | (6)           |               |               |               |               |               |
| <b>Total - Voluntary contributions</b>           | <b>26 467</b> | <b>13 533</b> | <b>19 562</b> | <b>21 930</b> | <b>23 691</b> | <b>12 159</b> |
| World Health Organization assessed contribution  | 1 100         | 700           | 1 800         |               | 2 800         |               |
| World Health Organization other funding          | 66            | 326           | 502           | 309           | 80            | 181           |
| Interest   | 319           | 627           | 417           | 30            | 55            | 1 736         |
| <b>Grand total</b>                               | <b>27 952</b> | <b>15 186</b> | <b>22 281</b> | <b>22 269</b> | <b>26 626</b> | <b>14 076</b> |

1. The contribution from the World Health Organization is normally recognized in the first year of each biennium in line with the allocation.

Table 3. Statement of comparison of budget, revised planned costs and expenses for the biennium 2022–2023

(In thousands of US dollars)

| Expected result | Description  | Programme budget (\$40 million) 2022–2023 | Revised planned costs 2022–2023 | Expenses 2022–2023 <sup>1</sup> | Implementation (%) <sup>2</sup> |
|-----------------|--|---|---------------------------------|---------------------------------|---------------------------------|
|                 | <b>Research for implementation (IMP)</b>   |   |                                 |                                 |                                 |
| 1.1.1           | Country preparedness for disease outbreaks   | 150                                       | 295                             | 200                             | 68%                             |
| 1.1.4           | Country resilience to the threat of drug-resistant infections                                    | 3 600                                     | 2 280                           | 2 163                           | 95%                             |
| 1.3.3           | Vector-borne diseases and climate change in Africa   | 400                                       | 550                             | 492                             | 89%                             |
| 1.1.7           | Maximized utilization of data for public health decision-making                                  | 650                                       | 993                             | 786                             | 79%                             |
| 1.2.1           | Strategies to achieve and sustain disease elimination  | 940                                       | 830                             | 619                             | 75%                             |
| 1.2.6           | Optimized approaches for effective delivery and impact assessment of public health interventions | 1 100                                     | 2 498                           | 1 982                           | 79%                             |
| 1.3.12          | Gender responsive health interventions   | 400                                       | 444                             | 346                             | 78%                             |
| 1.1.5           | Directions for development and accelerated access to new tools and strategies                    | 160                                       | 185                             | 74                              | 40%                             |
| 1.3.10          | Urban health interventions for control of vector-borne diseases                                  | 150                                       | 150                             | 118                             | 78%                             |
| 1.3.14          | Testing of innovative strategies for vector control  | 700                                       | 817                             | 415                             | 51%                             |
| 1.3.11          | Multisectoral approach on malaria control  | 400                                       | 1 049                           | 692                             | 66%                             |
|                 | <b>Sub-total IMP (a)</b>   | <b>8 650</b>                              | <b>10 091</b>                   | <b>7 889</b>                    | <b>78%</b>                      |
|                 | <b>Research capacity strengthening (RCS)</b>   |   |                                 |                                 |                                 |
| 2.1.1.1         | TDR support to regional training centres   | 1 250                                     | 2 037                           | 1 639                           | 80%                             |
| 2.1.2           | Targeted research training grants (MSc, PhD)   | 3 550                                     | 4 497                           | 3 066                           | 68%                             |
| 2.1.4           | Career development fellowship grants   | 1 500                                     | 2 000                           | 1 344                           | 67%                             |
| 2.1.6           | Structured capacity building in IR (ADP)   | 500                                       | 265                             | 177                             | 67%                             |
| 2.1.7           | Strengthening OR capacity in Global Fund programmes  | 100                                       | 250                             | 233                             | 93%                             |
|                 | <b>Sub-total RCS (b)</b>   | <b>6 900</b>                              | <b>9 050</b>                    | <b>6 458</b>                    | <b>71%</b>                      |

| Expected result | Description  | Programme budget (\$40 million) 2022–2023 | Revised planned costs 2022–2023 | Expenses 2022–2023 <sup>1</sup> | Implementation (%) <sup>2</sup> |
|-----------------|--|---|---------------------------------|---------------------------------|---------------------------------|
|                 | <b>Global engagement</b>   |   |                                 |                                 |                                 |
| 1.3.5           | Research on social innovation to enhance healthcare delivery         | 450                                       | 957                             | 754                             | 79%                             |
| 2.1.1.2         | Regional office collaboration and small grants                       | 1 100                                     | 900                             | 776                             | 86%                             |
| 2.2.1           | Shaping the research agenda  | 850                                       | 50                              | 38                              | 77%                             |
| 2.2.2           | Capacity strengthening to bring research evidence into policy        | 250                                       | 150                             | 144                             | 96%                             |
| 2.3.1           | Collaborative networks and engagement with global health initiatives | 300                                       | 705                             | 424                             | 60%                             |
| 2.3.3           | TDR Global   | 300                                       | 402                             | 235                             | 59%                             |
| 2.3.4           | Effective engagement in gender and equity                            | 200                                       | 674                             | 633                             | 94%                             |
| 2.3.5           | Community engagement and ethics                                      | 100                                       | 100                             | 66                              | 66%                             |
|                 | <b>Sub-total Global engagement (c)</b>                               | <b>3 550</b>                              | <b>3 937</b>                    | <b>3 070</b>                    | <b>78%</b>                      |
|                 | <b>Strategic development fund (d)</b>                                | <b>700</b>                                | <b>781</b>                      | <b>307</b>                      | <b>39%</b>                      |
|                 | <b>Sub-total Operations (e = sum [a:d])</b>                          | <b>19 800</b>                             | <b>23 859</b>                   | <b>17 724</b>                   | <b>74%</b>                      |
|                 | <b>Operational support</b>   |   |                                 |                                 |                                 |
|                 | Governance meetings  | 360                                       | 220                             | 170                             | 77%                             |
|                 | Director's activities  | 100                                       | 70                              | 23                              | 33%                             |
|                 | Advocacy & communication   | 240                                       | 300                             | 194                             | 65%                             |
|                 | Resource mobilization  | 110                                       | 70                              | 52                              | 74%                             |
|                 | Portfolio planning, monitoring and evaluation                        | 160                                       | 170                             | 160                             | 94%                             |
|                 | Financial planning, monitoring and evaluation                        | 40  |                                 |                                 |                                 |
|                 | Staff development  | 100                                       | 30                              | 21                              | 70%                             |
|                 | Running costs  | 720                                       | 270                             | 243                             | 90%                             |
|                 | IS / IT platforms  | 350                                       | 170                             | 120                             | 71%                             |
|                 | WHO administrative charges   | 1 820                                     | 1 800                           | 1 236                           | 69%                             |
|                 | <b>Sub-total operational support (f)</b>                             | <b>4 000</b>                              | <b>3 100</b>                    | <b>2 218</b>                    | <b>72%</b>                      |
|                 | <b>Staff costs (g)</b>   | <b>16 200</b>                             | <b>13 000</b>                   | <b>12 981</b>                   | <b>100%</b>                     |
|                 | <b>Total (h = sum [e:g])</b>   | <b>40 000</b>                             | <b>39 959</b>                   | <b>32 923</b>                   | <b>82%</b>                      |

| Expected result | Description   | Programme budget (\$40 million) 2022–2023 | Revised planned costs 2022–2023 | Expenses 2022–2023 <sup>1</sup> | Implementation (%) <sup>2</sup> |
|-----------------|---|---|---------------------------------|---------------------------------|---------------------------------|
|                 | <b>Timing differences</b>   |   |                                 |                                 |                                 |
|                 | Expenses charged to prior biennium workplans                                      |   |                                 | 1 871                           |                                 |
|                 | <b>Expenses related to prior biennium workplans</b>                               |   |                                 | <b>1 871</b>                    |                                 |
|                 | <b>Total expenses as per the Statement of Financial Performance (Statement I)</b> | <b>40 000</b>                             | <b>39 959</b>                   | <b>34 795</b>                   | <b>87%</b>                      |

1. Expenses reflects all expenditures recorded in the World Health Organization's accounts.
2. Implementation rate is calculated against the revised planned costs 2022–2023.
3. Funds utilized as presented in the financial management report (US\$ 35.5 million) includes expenses as well as commitments (encumbrances) of US\$ 2.6 million but excludes expenses charged on prior biennium workplans (US\$ 1.9 million).