

## **TDR financial management report 2024 and outlook 2025–2027**

**Agenda item:** 4

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

**Purpose:** This document presents the financial management information for TDR. It outlines budget, funding and implementation for the biennium 2024–2025 along with budget scenarios and revenue forecasts for 2026–2027.

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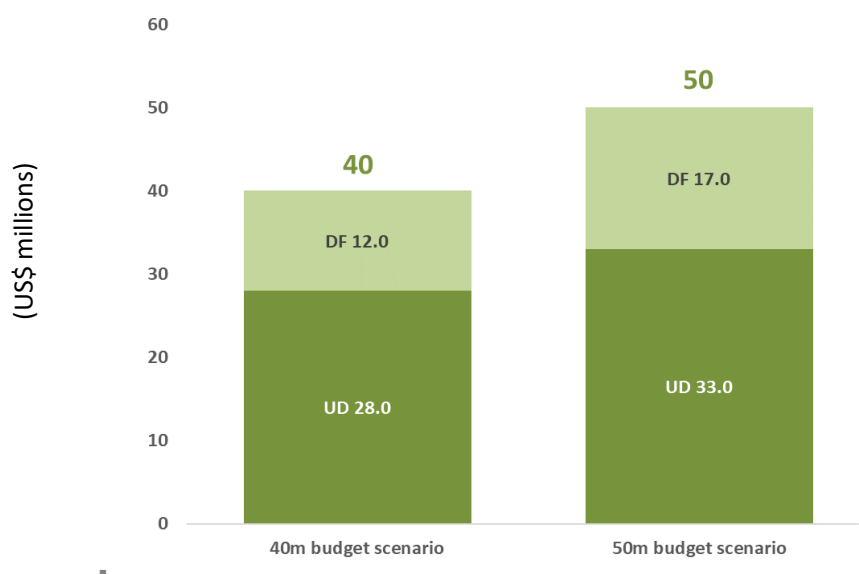
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## 2024–2025 financial update

Two budget scenarios for 2024–2025 were approved by the Joint Coordinating Board in 2023 (Figure 1)

- TDR uses a dual-scenario budget model to manage the uncertainty of funding and to allow a confident start to implementation at the beginning of each biennium. The scenarios are intended to be implemented in a stepped approach as funds become available. Each scenario has a fully costed workplan.
- A lower scenario at US\$ 40 million (US\$ 28 million undesignated funds; US\$ 12 million designated funds).
- A higher scenario at US\$ 50 million (US\$ 33 million undesignated funds; US\$ 17 million designated funds).
- A contingency plan was approved by the Joint Coordinating Board in June 2023, to be implemented in January 2024 in case the UD revenue forecast at the time was lower than US\$ 28 million.
- Implementation of the US\$ 40 million budget scenario began in January 2024, in line with the revenue forecast at the time.



**Figure 1: 2024–2025 budget scenarios**

## Effective fundraising for the biennium 2024–2025 (Figure 7 and Figure 8)

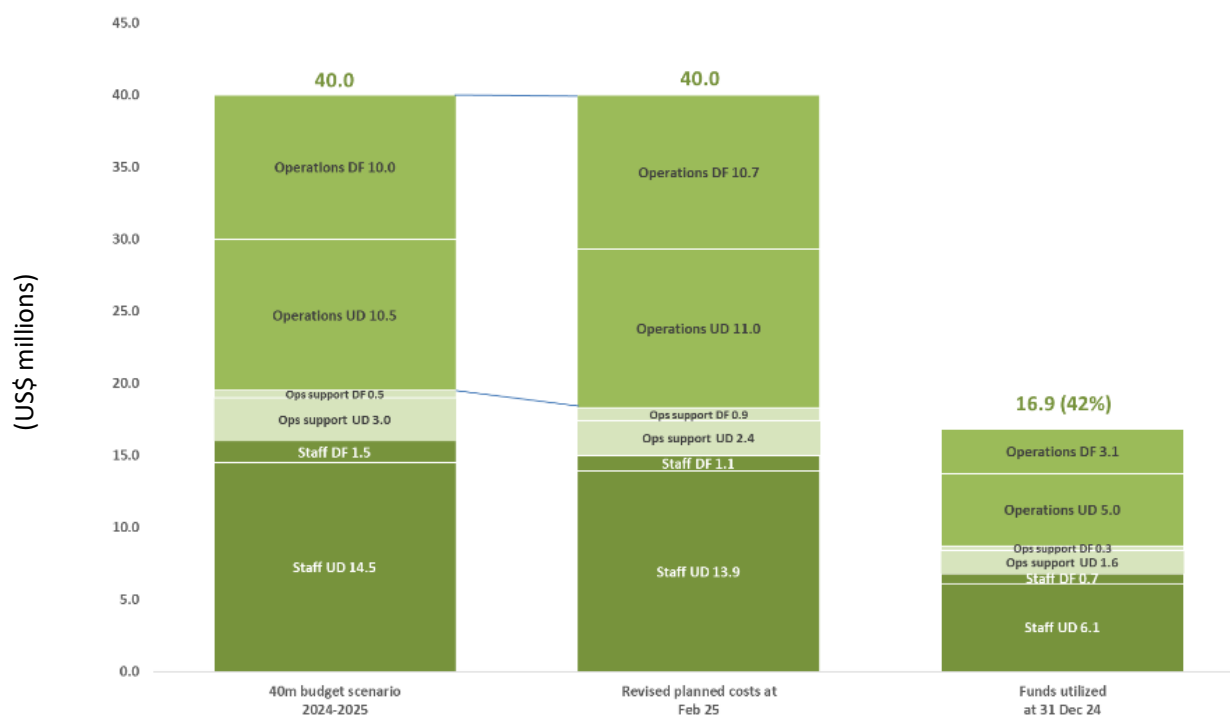
- A forecast revenue range is used to reflect the uncertainty concerning the ability of donors to maintain contribution levels and the impact of fluctuating foreign exchange rates. It is reviewed and updated continuously.
- The current revenue projection for 2024–2025 (excluding carry over) is US\$ 21–22 million undesignated and US\$ 7.2 - 10.2 million designated. The undesignated funds forecast is based on historical levels of contributions adjusted with current information from donors. The designated funds forecast includes donors that have a history as regular contributors, those in advanced discussion with TDR and a fundraising challenge. Project-specific contributions from the government of the United States of America (USAID and CDC) have been frozen, leading to a reduction in designated funds already received of approximately US\$ 1.2 million.
- In addition, some funds were brought forward from 2022–2023 for use in 2024–2025. These include:
  - Committed funds:
    - US\$ 2.5 million designated funds for planned project specific activities in 2024–2025.
    - US\$ 0.6 million undesignated funds committed to complete activities delayed from 2023.
  - Funds reprogrammed from 2022–2023 to be operationalized in 2024–2025:
    - US\$ 2.2 million 2023 contributions received late in the biennium.
    - US\$ 2.3 million one-off back payment of interest for ten years between 2008 and 2021.
    - US\$ 8.9 million strategic reprogramming, at the request of the Standing Committee, to support the 2024–2025 workplan.
    - US\$ 5.7 million other savings in 2023.
- As in previous biennia, potential savings in staff costs and operations support could be used in part to boost the funding available for operations activities in the biennium.

## Revising planned costs to recognise efficiencies at US\$ 40 million (Figure 2)

- Planned costs were revised in September 2024 and again in February 2025. Firstly, to complete activities delayed from the previous biennium and recognise projected savings in staff and operations support costs. Then to redistribute designated funds between expected results in line with projected funding and allocate staff and operations support costs more accurately across undesignated and designated funds.
- Planned costs at February 2025 include US\$ 27.3 million undesignated and US\$ 12.7 million designated funds.
- Projected savings in staff costs and operations support costs offset the increases in operations relating to activities delayed from 2023.
- The projected US\$ 1.0 million saving in staff costs is a result of vacant positions to be filled when designated funding is identified.

## Implementation as at 31 December 2024: 42% of the US\$ 40 million revised planned costs, with improved efficiencies (Figure 2)

- Financial implementation is monitored monthly to identify potential issues and to allow for redistribution of funds.
- US\$ 16.9 million was spent or committed in 2024. This represents 42% of both the US\$ 40 million budget scenario and revised planned costs.



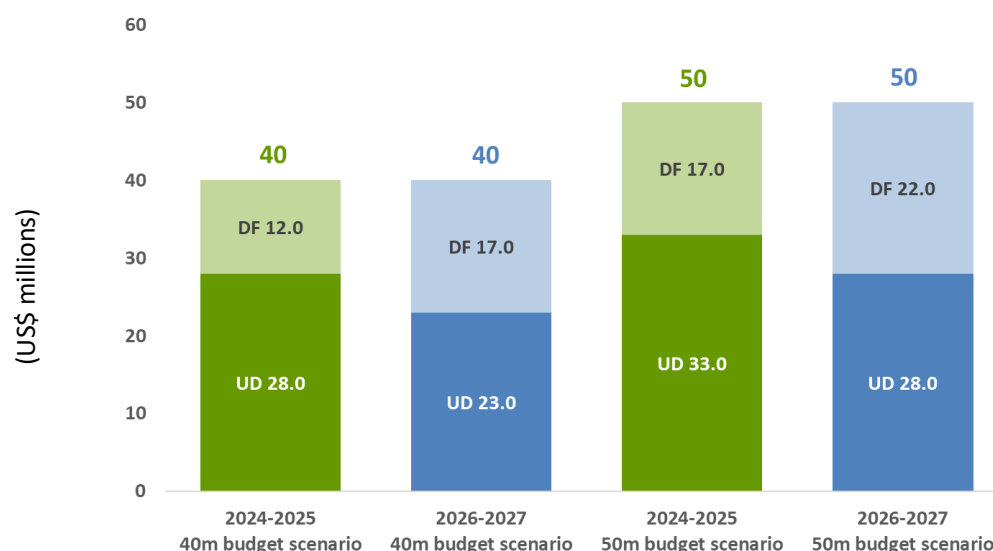
**Figure 2: 2024–2025 budget scenarios, revised planned costs and funds utilized as at 31 December 2024**

- Implementation at the end of April 2025 was US\$ 21.7 million, 54% of revised planned costs. (Figure 5 and Figure 6)

## 2026–2027 Programme budget

### Development of TDR Programme Budget and workplan scenarios for 2026–2027 (Figure 3 and Figure 13)

- Levels for two budget scenarios, similar to previous biennia but with a greater proportion of designated funds, were approved by the Joint Coordinating Board in June 2024:
  - A lower scenario at US\$ 40 million (US\$ 23 million undesignated funds; US\$ 17 million designated funds).
  - A higher scenario at US\$ 50 million (US\$ 28 million undesignated funds; US\$ 22 million designated funds).
- A detailed Programme budget and workplan for 2026–2027, has now been developed in consultation with stakeholders. This is submitted for review and approval by TDR's Governing bodies.



**Figure 3: 2026–2027 budget scenarios by fund type compared to 2024–2025**

### Revenue projections and financing of the proposed budget scenarios (Figure 14 and Figure 15)

- A forecast revenue range has been developed to reflect the uncertainty concerning the ability of donors to maintain previous levels of contributions and the impact of fluctuating foreign exchange rates. It is reviewed and updated continuously.
- The current revenue projection for 2026–2027 (excluding any funds carried over from 2024–2025) is US\$ 11.5–17 million undesignated (target US\$ 23 million) and US\$ 4.9 million designated along with a fundraising challenge of US\$ 12.1 million to reach the target of US\$ 17 million.
- The undesignated funds forecast is based on historical levels of contributions adjusted according to current information from donors. The designated funds forecast includes donors that have a

history as regular contributors (except US government grants), and those in advanced discussion with TDR. The remaining designated fundraising target is at the level of US\$ 12.3 million and this is a current high-level priority.

- The Standing Committee requested that funds not utilized in 2024–2025 be carried forward through strategic reprogramming for use in 2026–2027.
- Efforts are being made to sustain donor contributions and find new funding sources through:
  - Discussions with existing core donors concerning the ability to maintain contribution levels.
  - Discussion with existing donors of project specific funding regarding continuation of projects.
  - Utilizing an ‘investment case’ aligned with the strategy to provide contribution analysis intelligence for future funding proposals and business cases.
  - Development and submission of new project proposals to new and existing donors in line with the focus areas within the 2024–2029 strategy.
  - Reaching out to new core donors to diversify contribution sources.
  - Creation and utilization of a TDR database of over one hundred potential donors of designated funds.
  - Training session with WHO/CRM on maximising utilisation of donor profiles in the WHO database.
  - Working with the WHO Foundation to approach potential donors that otherwise would not be eligible.

## 2026–2027 contingency plan (Figure 4)

- As in previous biennia, a precautionary contingency plan has been developed to address a potential funding shortfall. The contingency plan would be implemented in January 2026, in part or in full, only if additional funds are not identified to cover the gap before the beginning of the next biennium.
- The contingency plan includes the following measures:
  - US\$ 1.7 million savings in staff costs by freezing four fixed term position.
  - US\$ 2.6 million prioritising and scaling down some areas in operations activities.
  - US\$ 0.2 million savings in operations support cost.
- The Scientific and Technical Advisory Committee recommended principles for prioritization of activity areas for this contingency plan.
- The Standing Committee reviewed and endorsed the proposed contingency plan.
- The contingency plan is submitted to the Joint Coordinating Board for review and approval.

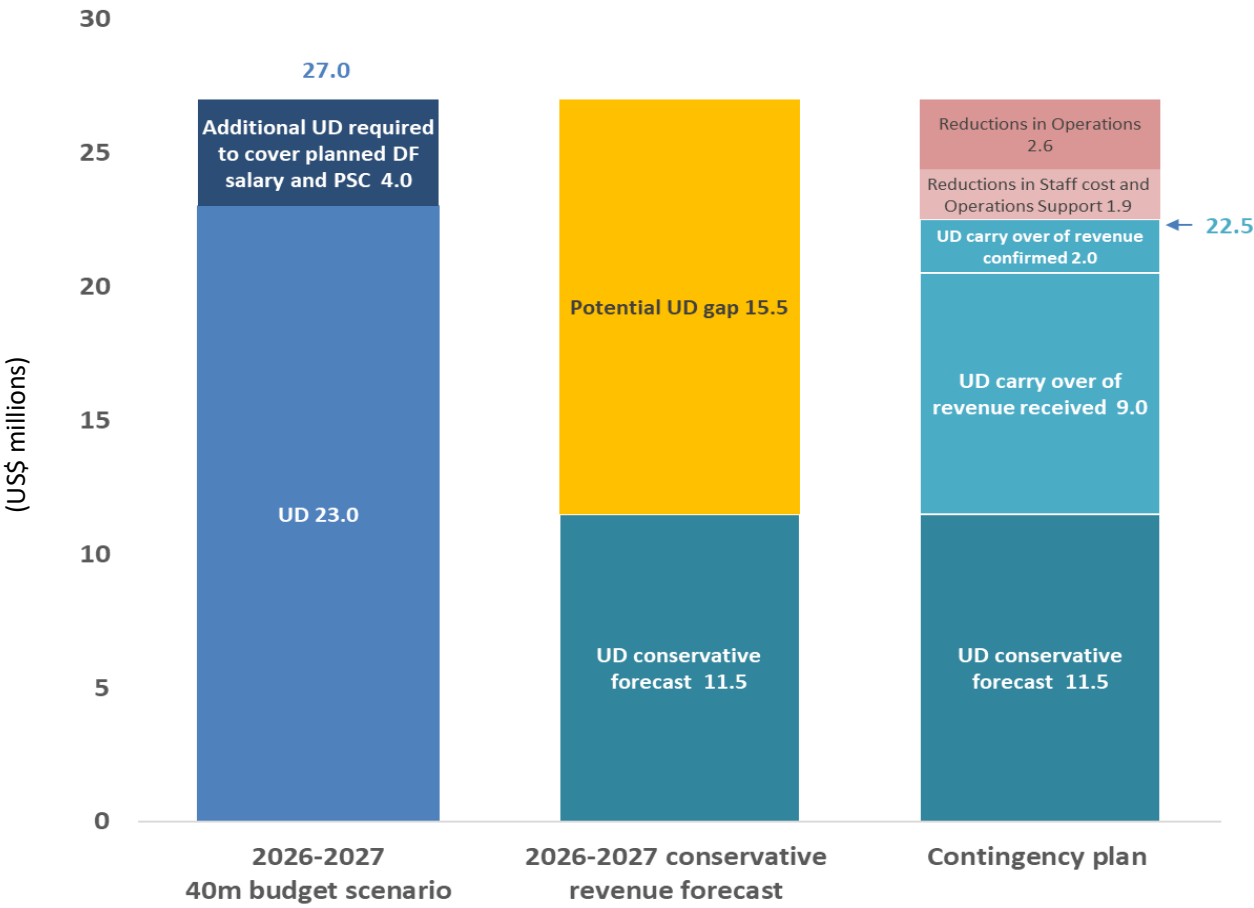


Figure 4: 2026–2027 \$ 40m budget scenario (UD), revenue forecast, potential gap and contingency plan



## Figures and tables

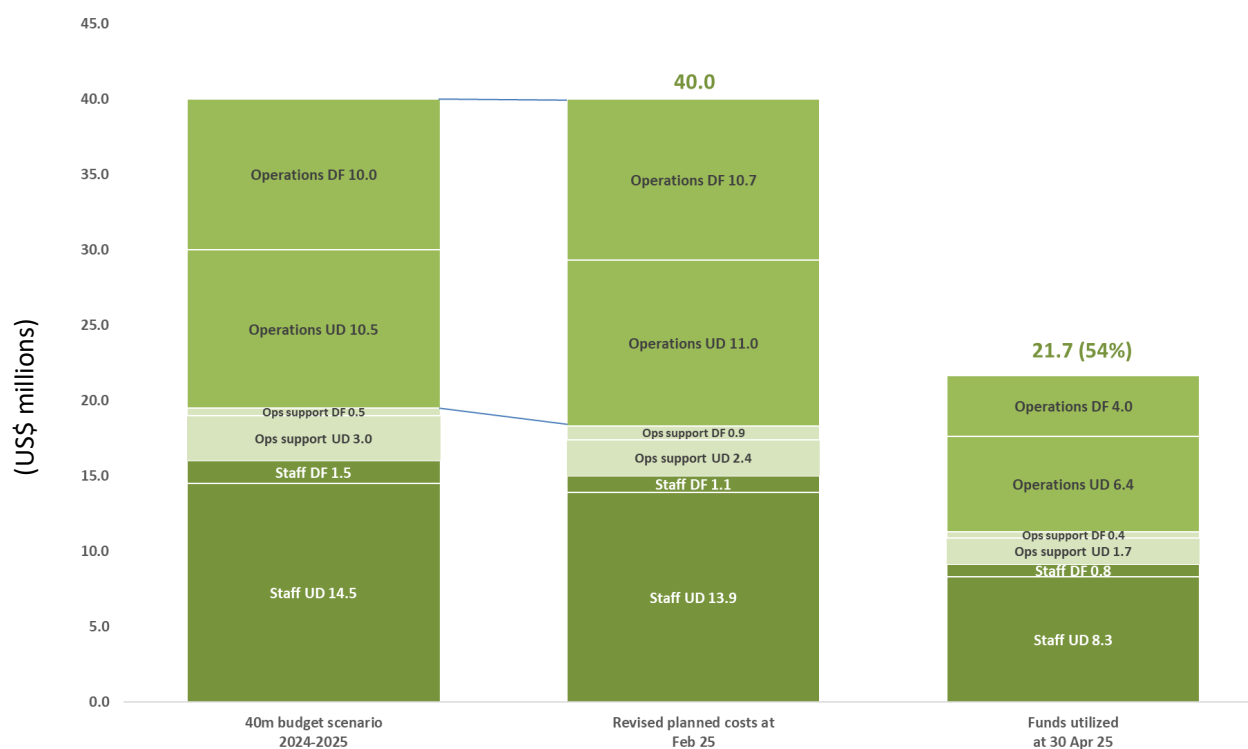
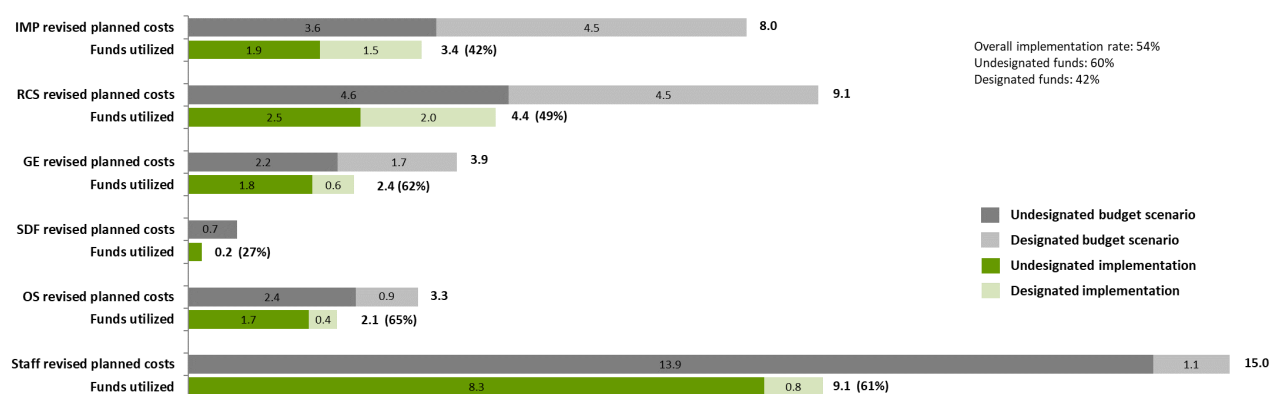


Figure 5: 2024–2025 budget scenarios, revised planned costs and funds utilized at 30 April 2025



IMP: Research for implementation  
RCS: Research Capacity Strengthening  
GE: Global Engagement  
SDF: Strategic Development Fund  
OS: Operations Support

(US\$ millions)

Figure 6: 2024–2025 funds utilized by work area as at 30 April 2025 against revised planned costs

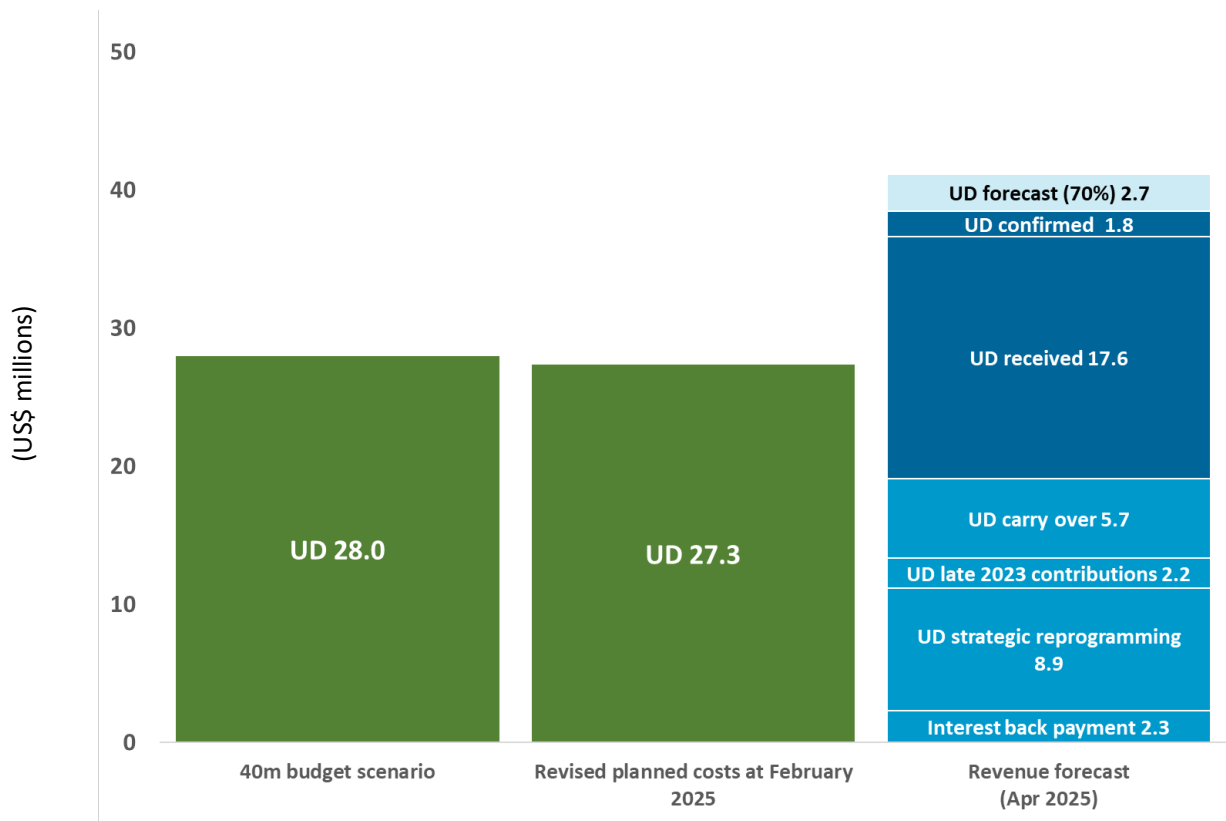


Figure 7: 2024–2025 undesignated US\$ 40 million budget scenario, revised planned costs and forecast funds available



Figure 8: 2024–2025 designated US\$ 40 million budget scenario, revised planned costs and forecast funds available

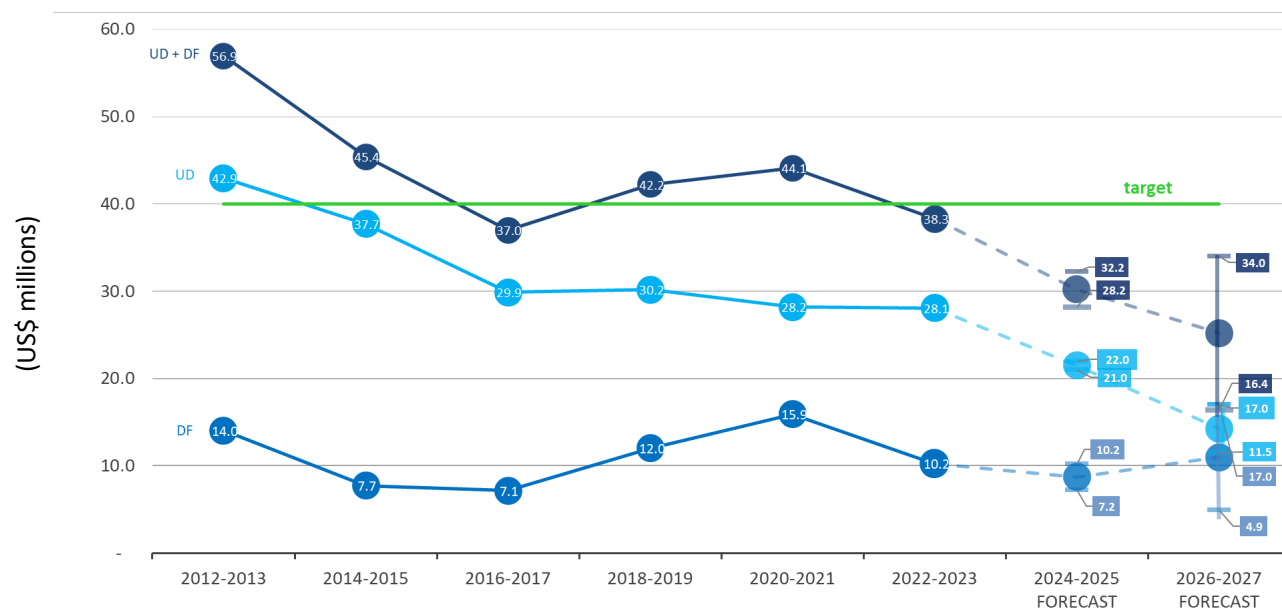


Figure 9: Revenue trend from contributions and 2024–2027 forecast range

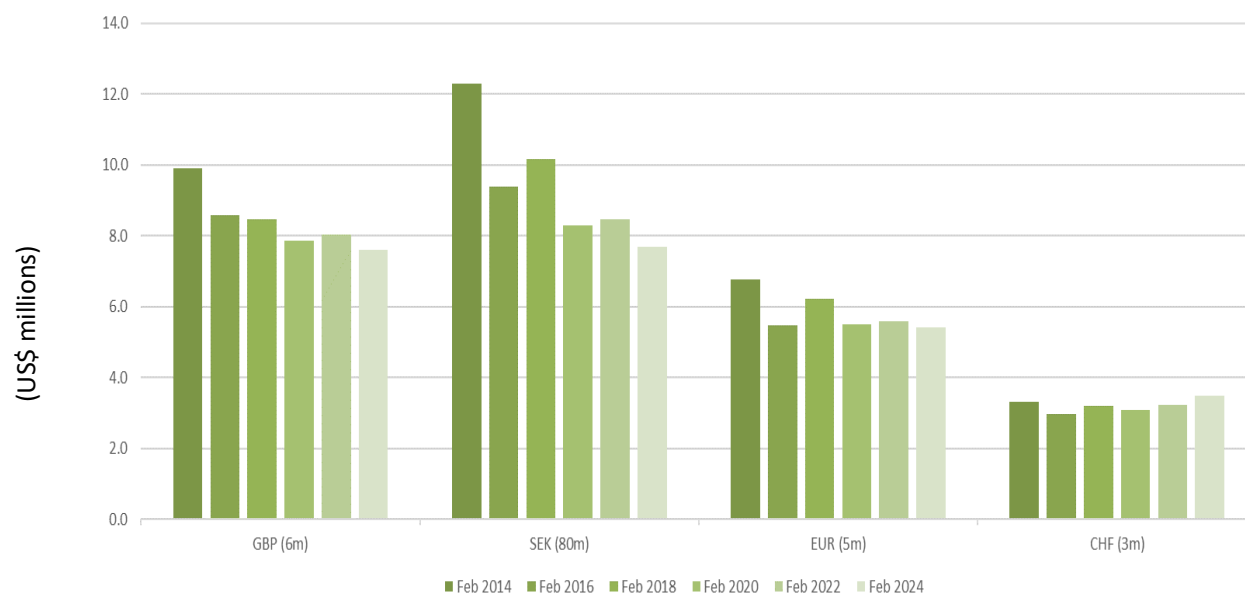


Figure 10: Impact of fluctuating foreign exchange rates on donor contributions

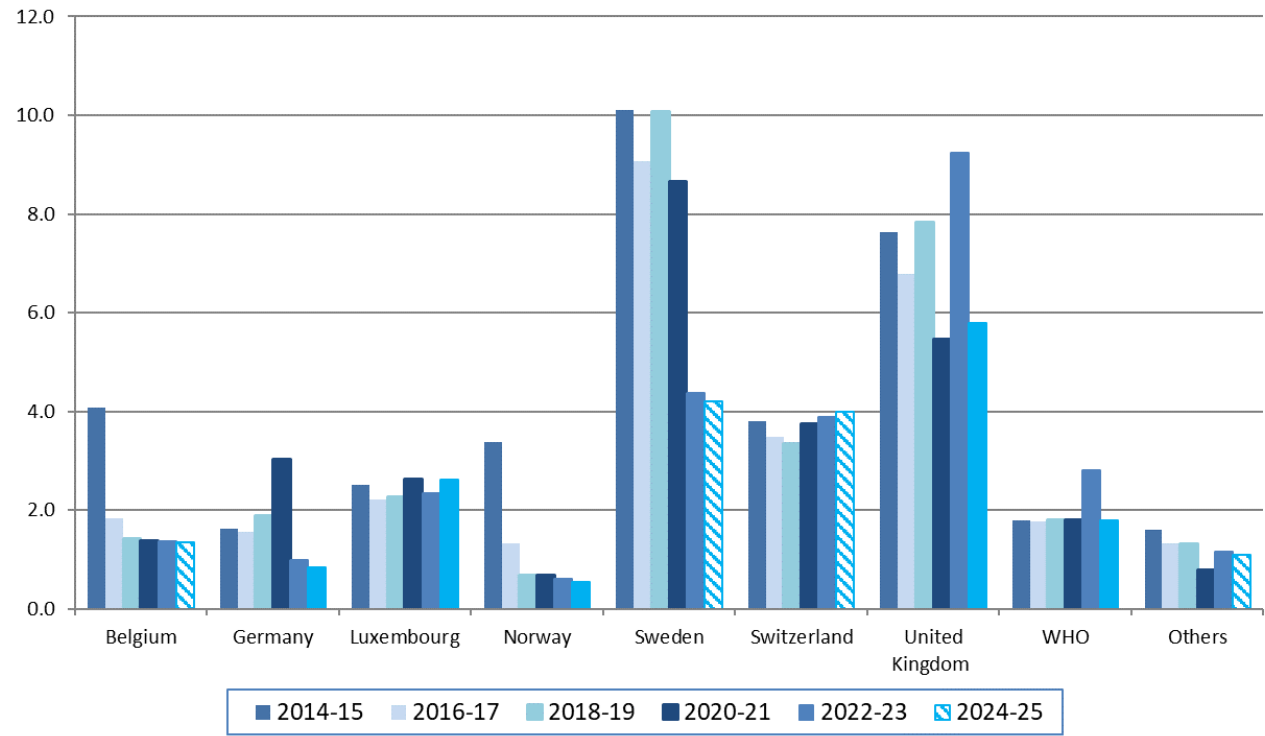


Figure 11: Undesignated revenue trend by donor

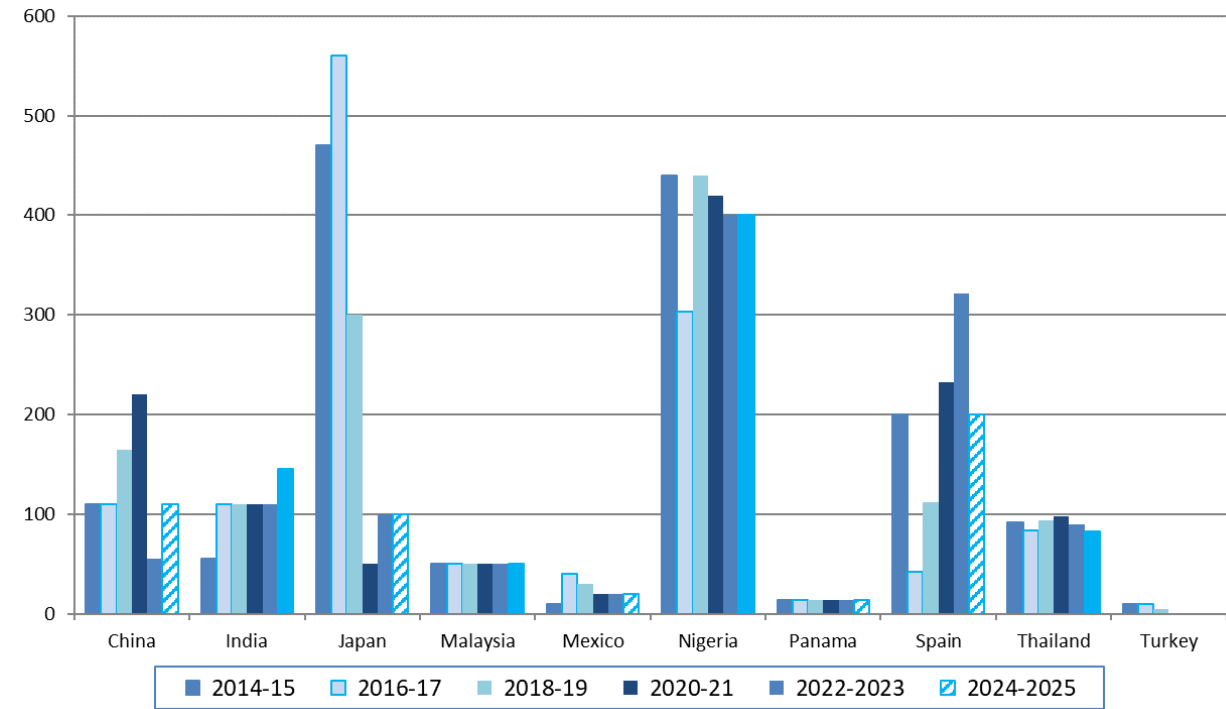


Figure 12: Undesignated "others" revenue trend by donor

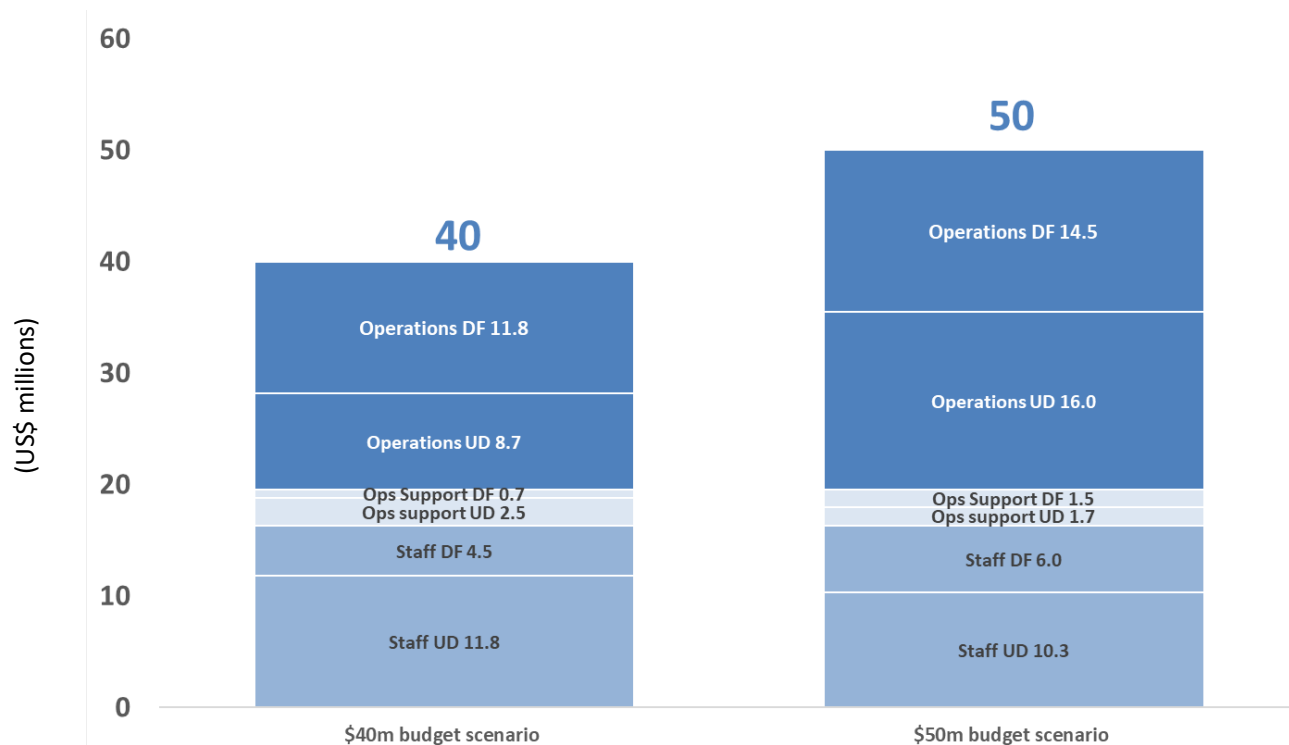


Figure 13: 2026–2027 proposed budget scenarios – by fund and expense type

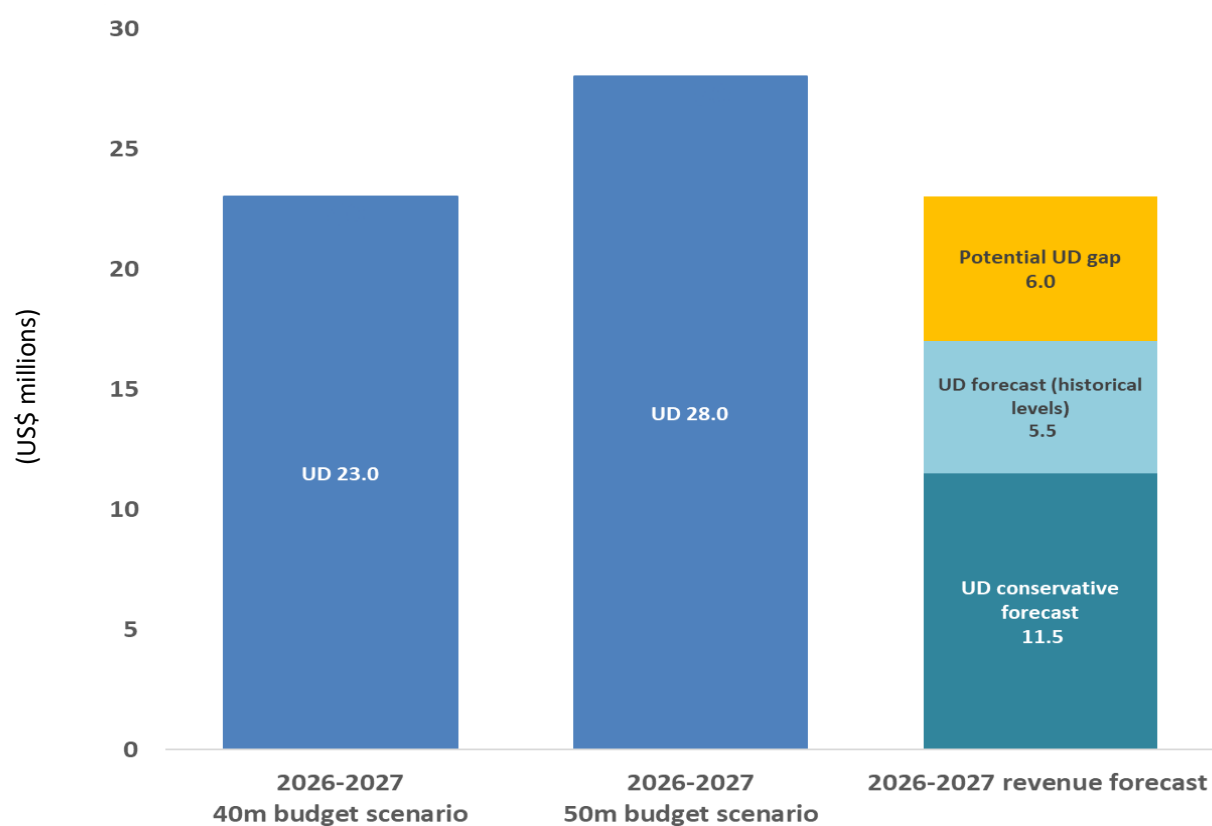


Figure 14: 2026–2027 UD budget scenarios and revenue forecast

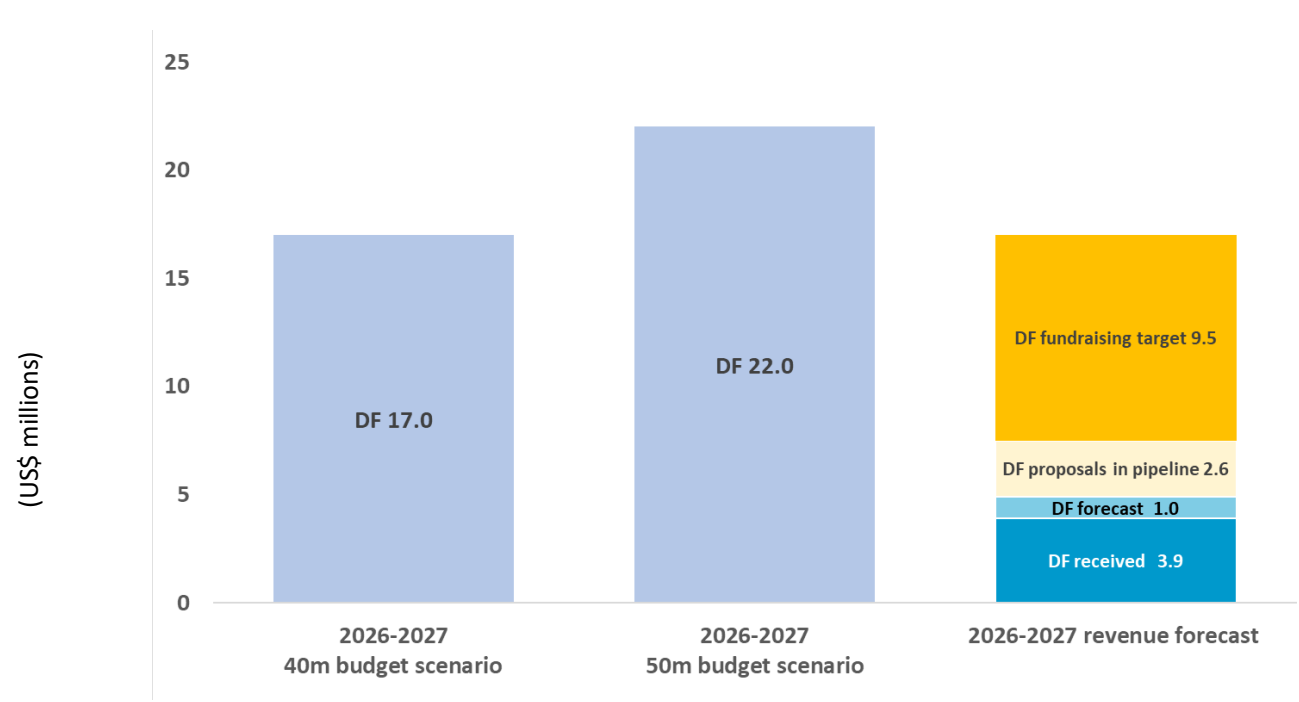


Figure 15: 2026–2027 DF budget scenarios and revenue forecast