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## Chapter III

### Certification of the financial statements

#### **Letter dated 30 April 2024 from the Director of the Division of Management and Administration of the United Nations Entity for Gender Equality and the Empowerment of Women addressed to the Chair of the Board of Auditors**

Pursuant to financial rule 1201, I certify that, to the best of my knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the appended financial statements for the year ended 31 December 2023.

I acknowledge that:

The management is responsible for the integrity and objectivity of the financial information included in these financial statements;

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards and include certain amounts that are based on the management's best estimates and judgments;

Accounting procedures and related systems of internal control provide reasonable assurance that assets are safeguarded, that the books and records properly reflect all transactions and that, overall, policies and procedures are implemented with an appropriate segregation of duties. The internal auditors continually review the accounting and control systems;

The management provided the internal auditor with full and free access to all accounting and financial records.

The recommendations of the Board of Auditors and internal auditors are reviewed by the management. Internal control procedures have been revised or are in the process of revision, as appropriate, in response to those recommendations.

I am in receipt of a letter of certification from the Chief Finance Officer, United Nations Development Programme (UNDP), which provides the same assurances with respect to UNDP accounting procedures and related systems of control to the extent that services are provided by UNDP to UN-Women, in accordance with the service level agreements currently in force.

*(Signed)* Moez **Doraid**

Director, Division of Management and Administration  
United Nations Entity for Gender Equality and the Empowerment of Women

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## Chapter IV

### Financial report for the year ended 31 December 2023

#### A. Introduction

The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) was established by the General Assembly in its resolution [64/289](#) of 2 July 2010 and became operational in January 2011. Grounded in the vision of equality enshrined in the Charter of the United Nations, UN-Women works towards the elimination of discrimination against women and girls; the economic empowerment of women; and the achievement of equality between women and men as partners in and beneficiaries of development, human rights, humanitarian action, and peace and security.

UN-Women is mandated to support intergovernmental bodies, such as the Commission on the Status of Women, in their formulation of policies, global norms, and standards. The Entity mobilizes political will and resources to help Member States to implement those standards, standing ready to provide suitable technical and financial support to those countries that request it and to forge successful partnerships with civil society. Furthermore, UN-Women has been assigned the mandate to hold the United Nations system accountable for its commitments on gender equality through the system-wide action programme.

This financial report should be read in conjunction with the UN-Women audited financial statements and accompanying notes for the year ended 31 December 2023. The financial statements are prepared for the calendar year 2023 in accordance with International Public Sector Accounting Standards (IPSAS). This report is intended to provide readers of the financial statements with a better understanding of UN-Women's financial performance and position.

The Annual Report of the Executive Director (EDAR) covers the programmatic operations, strategies, and results of UN-Women. The present report includes a few programmatic highlights to provide context of the financial results.

#### Operational context

Amid protracted and evolving global crises, in 2023, the world was rocked by the eruption of fresh conflicts. More than 614 million women and girls, 50 per cent higher than in 2017, lived in conflict settings. Across the world, from the rise in extreme weather events to the crippling cost-of-living crisis, women and girls continued to suffer disproportionately from crises not of their making.

Extreme poverty has declined over the last three decades but is still pervasive. Based on current trends, over 340 million women and girls will still live in extreme poverty by 2030, and one in four will experience moderate or severe food insecurity. While global wealth and income inequality has also broadly declined since the 1990s, inequality within most advanced and major emerging economies has increased, with women particularly affected by income inequalities.

Violence against women remained rampant. On average, over five women or girls are killed every hour worldwide by someone in their own family. No country is within reach of eradicating intimate partner violence.

The backlash against gender equality intensified, including reversals on women's sexual and reproductive health and rights and increasing violence against women in politics in many countries.

UN-Women and the United Nations Trade and Development project that an additional annual investment of \$360 billion is required to bridge the gender equality gap – a conservative estimate pertaining to 48 developing economies covering only 70 per cent of the world's population. Yet SDG indicator 5.c.1 reveals that only 26

per cent of countries globally have systems to track budget allocations for gender equality.

In January 2023, UN-Women adopted the next-generation enterprise Resource Planning system, Quantum, replacing the Atlas system that had been in place since 2004. Quantum is a modern, cloud-based architecture anchored in the Oracle Cloud enterprise resource planning solution. The implementation was done as part of an interagency consortium of partners led by UNDP.

## B. Summary of financial results

The main financial results for 2023 can be summarised as follows:

- Total revenue reached \$619.06 million, a decrease of \$48.94 million or 7.3 per cent from total revenue of \$667.99 million in 2022. \$74.39 million of the agreements were signed in December, compared to \$65.96 million in 2022.
- The voluntary contributions revenue for regular resources in the year was \$108.6 million (2022: \$219.5 million), while at the same time, the regular resources contributions received in the year grew to \$164.1 million (2022: \$153.3 million) as contributions were collected from multi-year agreements from prior years intended to cover, e.g., the strategic plan period. The revenue in these multi-year agreements would have been recognized the year the agreements were signed.
- Total expenses increased by \$9.81 million to \$546.10 million from the prior year's expenses of \$536.29 million.
- UN-Women recorded a surplus of \$79.50 million (2022: \$130.82 million), adding to the organization's net assets. The surplus represents guaranteed funding available for programmatic activities in future years in line with donor agreements. UN-Women's revenue is recognized in full at the time the contribution agreements are entered into, including for multi-year funding arrangements entered into, for example, for the Strategic Plan period. However, expenses can only be incurred after the cash has been received from the donors. This is spread over the multi-year duration of the agreements in line with the milestone payments agreed to with the donor. Hence, the surplus does not represent the accumulation of unused funds but reflects the IPSAS accounting requirement that revenue is recorded upon entry into an agreement with the donor while expenses take place when the money is actually received over the lifetime of the agreement.
- UN-Women had total assets of \$1,455.16 million (2022: \$1,324.70 million) and liabilities of \$192.97 million (2022: \$134.09 million).

**Table 1. Financial performance by funding source**

In thousands of USD

	<i>Regular resources</i>	<i>Other Resources</i>	<i>Assessed</i>	<i>Elimination</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Total revenue	142 055	505 098	11 586	(39 682)	619 057	667 998
Total expenses	(179 938)	(393 949)	( 11 898)	39 682	(546 103)	( 536 291)
	<b>(37 883)</b>	<b>111 149</b>	<b>(312)</b>	<b>-</b>	<b>72 954</b>	<b>131 707</b>
Gains and (losses)	6 547	-	-	-	6 547	(892)
<b>Surplus/(deficit)</b>	<b>(31 336)</b>	<b>111 149</b>	<b>(312)</b>	<b>-</b>	<b>79 501</b>	<b>130 815</b>

Regular resources deficit arises from multi-year revenue recognized in prior years where expenses are incurred, as planned, in 2023. UN-Women has shown gains and losses separately in the statement of Financial Performance and comparatives have been restated for the presentation change.

## C. Financial Performance

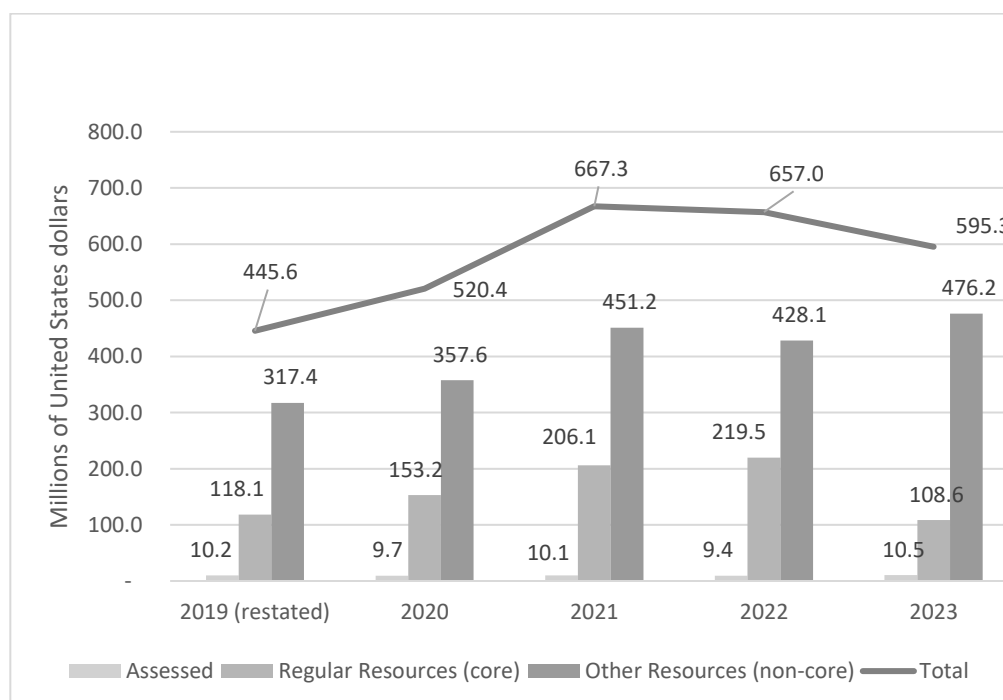
### Revenue

Contributions to fund UN-Women activities are primarily voluntary contributions from Governments, intergovernmental and private organizations, and individuals. These voluntary contributions accounted for 98.24 per cent (2022: 98.57 per cent) of the total contributions, with the remaining two per cent received from the United Nations Secretariat's assessed contributions towards the normative work of the organization.

The voluntary contributions are either for regular (unearmarked) or other (earmarked) resources.

Voluntary contributions to regular resources declined by \$110.89 million from \$219.52 million in 2022 to \$108.63 million in 2023. At the same time, funds were collected from previous multi-year regular resources agreements entered and recognized as revenue in prior years of \$164.08 million, up from \$153.27 million in 2022. The voluntary contributions revenue for other resources rose by \$48.13 million to \$428.07 million. The trend in voluntary contributions revenue is shown in Figure 1 below.

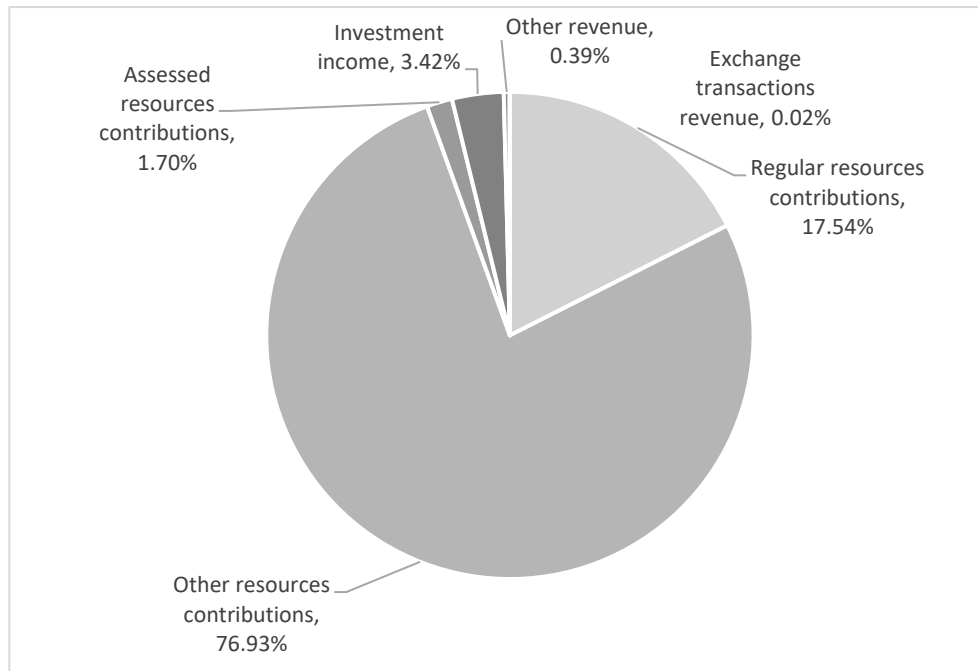
**Figure 1. The trend in voluntary contributions revenue over the 5-year period**



Other revenue, including contributions from the UN Secretariat, assessed contributions, increased by \$13.82 million to \$34.22 million (2022: \$20.40 million)

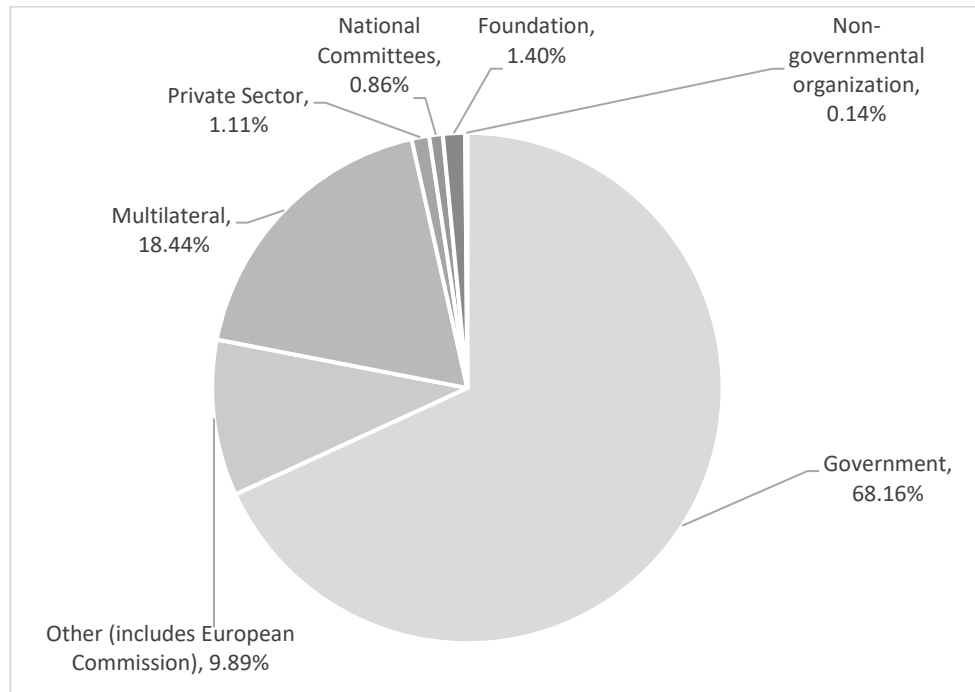
mainly due to an increase in investment income of \$12.43 million as expected given the higher interest rate environment.

**Figure 2. Revenue by nature**



Governments continued to be UN-Women's largest source of funding at 68.16 per cent (2022: 65.98 per cent), followed by Non-governmental Organisations.

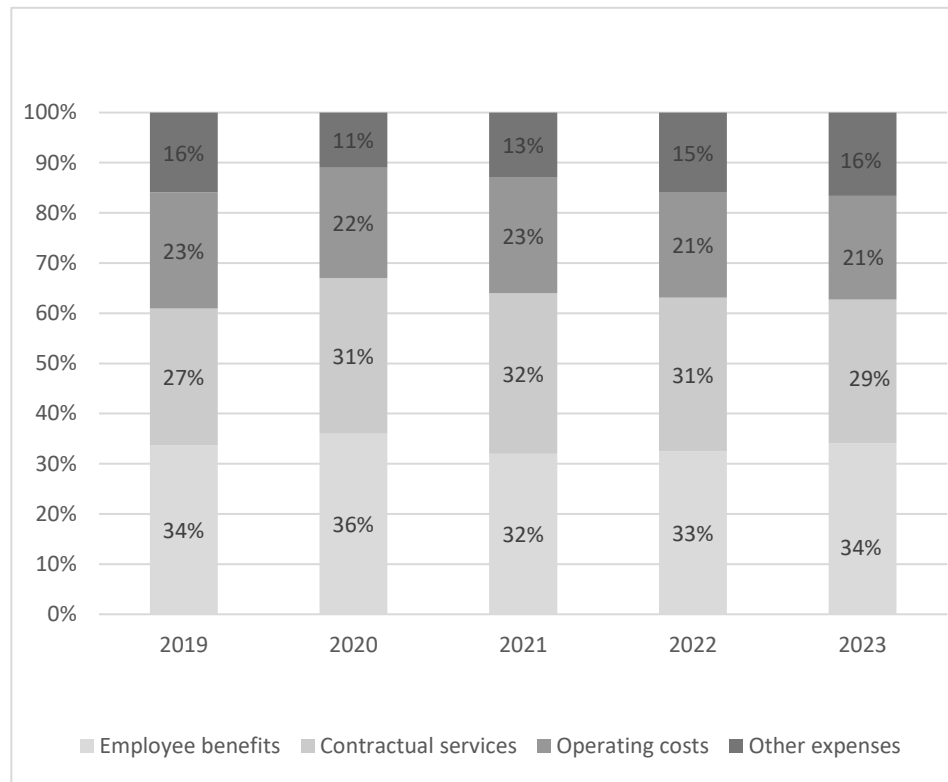
**Figure 3. Voluntary contributions Revenue by type of donor**



### **Expenses**

Total expenses increased slightly by \$9.81 million, or 1.79 per cent, to \$546.10 million from the prior year's expenses of \$536.29 million, mainly due to an increase in employee benefits and travel cost. However, both employee benefits and travel costs as a portion of total expenses have remained relatively constant with employee expenses being 34.09 per cent, compared to 33.55 per cent in 2022 and travel costs being 7.21 per cent compared to 6.10 per cent in 2022.

**Figure 4. The trend in nature of expenses over the 5-year period**



A segmental split of the expenses by nature is included in Table 2 below.

**Table 2. 2023 Expenses by Segment**

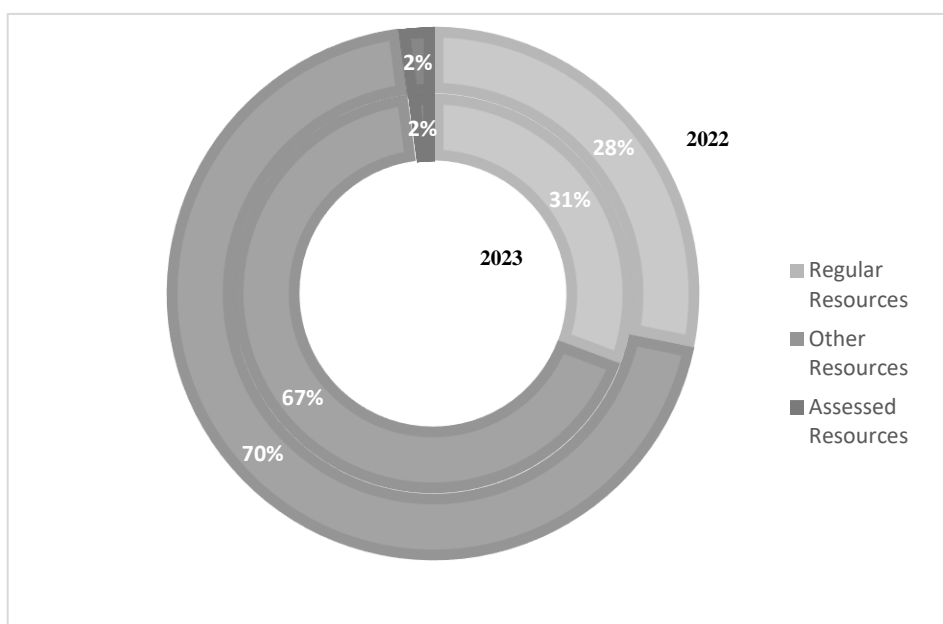
(Thousands of United States dollars)

	31 December 2023				Total	31 December 2022
	Regular resources	Other resources	Assessed resources	Elimination		
<b>Expenses</b>						
Employee benefits	73 939	100 727	11 497	-	186 163	175 863
Contractual services	33 505	122 733	123	-	156 361	165 747
Grants and other transfers	908	18 819	-	-	19 727	18 668
Supplies and maintenance	9 235	14 680	9	-	23 924	20 197
Operating costs	47 768	104 533	147	(39 682)	112 766	113 160
Travel costs	12 730	26 542	121	-	39 393	32 738
Depreciation and amortization	2 220	868	1	-	3 089	3 035

Finance costs	32	15	-	-	47	183
Other expenses	(399)	5 032	-	-	4 633	6 700
<b>Total expenses</b>	<b>179 938</b>	<b>393 949</b>	<b>11 898</b>	<b>(39 682)</b>	<b>546 103</b>	<b>536 291</b>

While expenses have slightly increased from 2022, the proportion of regular resources in total expenses was higher than in 2023 as seen in Figure 5 below.

**Figure 5. Expenses by segment**



## D. Financial Position

The net assets of the organization of \$1,262.19 million include an accumulated surplus for other reserves of \$947.90 million (2022: \$838.87 million), representing the value of agreements signed and recognized in the current and earlier years where programmatic activities are planned to take place in 2024 and onwards in line with voluntary contribution agreements. The net assets also include, as part of regular resources, funds held and managed to meet future employee services liabilities such as After Service Health Insurance of \$124.74 million (2022: \$112.79 million), operational and field accommodation reserves of \$27.52 million (2022: \$27.52 million) and funds held to meet the first few months of regular resources expenses.

Additional information on the reserves is included in note 17 of the financial statements.

**Table 3. Assets and Liabilities by funding source**

*In thousands of United States Dollars*



	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed resources</i>	2023	2022
Total assets	487 652	972 030	(4 523)	1 455 159	1 324 696
Total liabilities	168 744	24 132	97	192 973	134 093
<b>Net assets</b>	<b>318 908</b>	<b>947 898</b>	<b>(4 620)</b>	<b>1 262 186</b>	<b>1 190 603</b>

UN-Women assets mainly include cash and cash equivalents of \$210.30 million (2022: \$122.04 million), investments of \$623.84 million (2022: \$638.40 million), and contributions receivable of \$528.61 million (2022: \$485.57 million).

Total liabilities include accounts payable and after-service employee benefit liabilities. UN-Women does not have any loans or borrowings.

Like other UN entities, UN-Women provides its staff with after-service health insurance benefits and other employee benefits. An external firm's valuation for 2023 year-end estimated employee benefit liabilities of \$103.10 million (2022: \$88.27 million), which has been recognized in full in the financial statements (see note 14, Employee benefit liabilities).

Included within the actuarially valued employee liabilities is after-service health insurance liability of \$79.58 million. This is a long-term liability, which, due to the younger nature of UN-Women's workforce, will have payouts increasing only some years and decades into the future – the average age of the active participants in the scheme is 46 years with average age of the current retirees of 68 years of age. Interest rates, medical cost inflation, and other actuarial assumptions can vary significantly during that time. However, the liability and other employee benefit liabilities are fully funded using the actuarial assumptions as of 31 December 2023 and the related liability calculation.

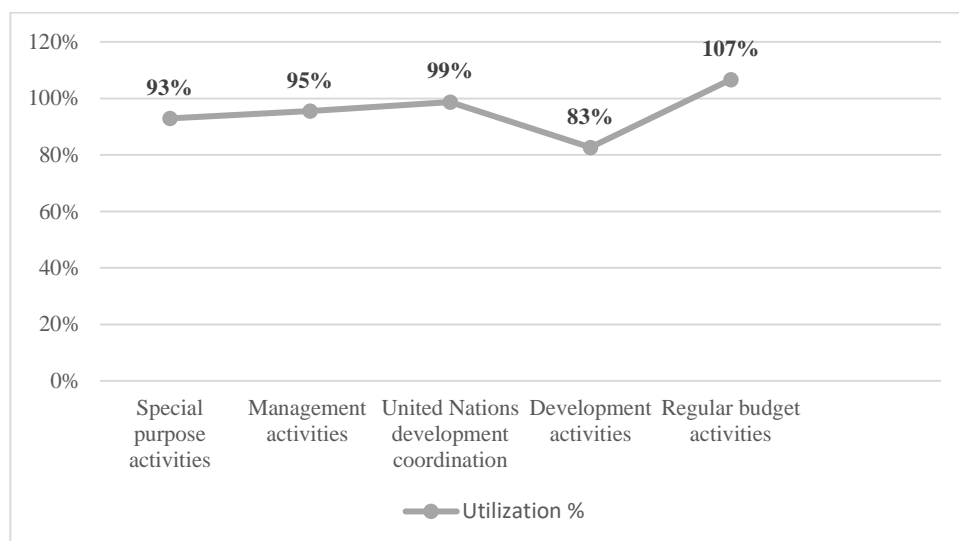
## E. Budgetary Performance

The integrated resources plan and the integrated budget set out the projected financial resources for the strategic plan, covering both regular (core) and other (non-core) resources for 2022–2023. The integrated budget is prepared and presented biennially.

The budget of UN-Women is prepared on a modified cash basis and is presented in the financial statements as statement V, a comparison of budget and actual amounts on a comparable basis, with the additional inclusion of assessed resources (regular budget). To facilitate a comparison between the budget and the financial statements prepared under IPSAS, a reconciliation of the budget with the cash flow statement is included in note 26 of the financial statements.

UN-Women had high utilization rates across all budget categories when comparing actual budgetary expenditures incurred to the final budget.

**Figure 6. Budgetary utilization rates**



## **F. Risk management**

UN-Women's enterprise risk management framework is a structured approach to identifying, assessing, and managing risks within the organization. The framework is designed to help UN-Women take advantage of emerging opportunities to achieve its objectives while minimizing the negative impact of risks. Below are some key risk areas and mitigations taken.

### **Fraud, waste, and misuse of resources**

UN-Women works with responsible parties, implementing partners, vendors, and third parties to deliver its triple mandate. As with financial transactions, there is a risk of fraudulent reporting or use of funds or other assets within UN-Women or by these parties. To mitigate this risk, UN-Women has established strong financial controls, including regular audits and reviews of UN-Women's operations as well as of responsible parties and implementing partners' financial and operational performance.

### **Misconduct, wrongful and negligent behaviour towards others**

UN-Women is committed to ensuring the safety and well-being of the vulnerable groups it serves. This risk area includes safeguarding against sexual exploitation, abuse, and harassment. UN-Women has zero tolerance for such behaviours and have put in place policies, procedures, and training programs to prevent and respond to any incidents of misconduct.

### **Cybersecurity**

UN-Women relies heavily on ICT to deliver its mandate. UN-Women has outsourced Treasury, Payroll, and many HR functions to UNDP, ensuring that these critical areas are managed by experts with robust security measures in place. Additionally, UN-Women relies on UNICC (United Nations International Computing Center) for its ICT infrastructure services, including cybersecurity.

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However, the reliance on ICT exposes the organization to various cyber threats, such as phishing attacks, malware, and data breaches. To tackle these risks, UN-Women has developed and put into action a robust cybersecurity plan. This plan includes creating cybersecurity policies and procedures, implementing multi-factor authentication, launching an information security programme, and conducting regular risk assessments. These measures are vital in strengthening both corporate systems and UN-Women field offices against cyber threats. Despite the ever-changing nature of cyber risks, UN-Women remains committed to staying vigilant and adaptable.

### **Declining regular resources (core) contributions**

UN-Women's operations depend on voluntary contributions and in particular on unearmarked regular resources. There is a risk of declining regular resources, compounded by an overall decline in financing for gender equality, which can jeopardize UN-Women's ability to carry out its triple mandate, reduce its ability to leverage other resources, and strain corporate functions. To mitigate this risk, UN-Women continues to diversify its funding sources, including through investment in mobilizing individual giving, incentivizing and encouraging other resources contributions that are minimally earmarked (e.g., direct funding to UN-Women Strategic Notes, thematic funding) and practicing restraint in its level of fixed costs within its regular resources budget.

### **Political and Country context**

UN-Women operates in highly complex and sensitive environments, including those that have seen a backlash against gender equality, shrinking civic space as well as environments in armed conflict. With increasing numbers of humanitarian crises, UN-Women's active engagement in the Inter-Agency Standing Committee (IASC) has been crucial to advancing a greater focus on gender equality in the UN System's humanitarian response and decision-making processes. As part of the mitigating actions for this risk, UN-Women will continue to strengthen the entity's unique value-add in humanitarian settings, building on the successful integration of gender equality into humanitarian planning cycles and responses demonstrated thus far.

### **Climate change, organizational resilience, and natural hazards.**

UN-Women operates in unpredictable and volatile contexts, including natural hazards like cyclones, earthquakes, and flooding. Climate change presents a significant crisis on a global scale with dire consequences. To mitigate these risks, UN-Women has developed business continuity plans for continuing its operations as well as emergency response guidelines for responding to the needs of women and girls in emergency settings. UN-Women plays a key role in country-level interagency coordination functions to ensure the UN system's emergency aid applies a gender perspective considerations.

## Chapter V

### Financial statements for the year ended 31 December 2023

#### United Nations Entity for Gender Equality and the Empowerment of Women

#### I. Statement of financial position as at 31 December 2023

(Thousands of United States dollars)

	Reference	31 December 2023	31 December 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	Note 6	210 303	122 040
Investments	Note 7	266 933	230 278
Accounts receivable	Note 8	341 803	264 179
Advances	Note 9	69 919	56 413
Other assets	Note 10	10 399	9 886
<b>Total current assets</b>		<b>899 357</b>	<b>682 796</b>
<b>Non-current assets</b>			
Investments	Note 7	356 903	408 120
Accounts receivable	Note 8	186 803	221 392
Other assets	Note 10	15	15
Property, plant and equipment	Note 11	12 063	12 365
Intangible assets	Note 12	18	8
<b>Total non-current assets</b>		<b>555 802</b>	<b>641 900</b>
<b>Total assets</b>		<b>1 455 159</b>	<b>1 324 696</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	Note 13	34 940	2 179
Employee benefits	Note 14	23 007	21 290
Other liabilities	Note 15	35 222	23 487
<b>Total current liabilities</b>		<b>93 169</b>	<b>46 956</b>
<b>Non-current liabilities</b>			
Employee benefits	Note 14	99 804	86 803
Other liabilities	Note 15	-	334
<b>Total non-current liabilities</b>		<b>99 804</b>	<b>87 137</b>
<b>Total liabilities</b>		<b>192 973</b>	<b>134 093</b>
<b>Net assets</b>		<b>1 262 186</b>	<b>1 190 603</b>
<b>Net assets/equity</b>			
Accumulated surplus	Note 16	1 234 666	1 165 925
Reserves	Note 17	27 520	24 678
<b>Total net assets/equity</b>		<b>1 262 186</b>	<b>1 190 603</b>

The accompanying notes are an integral part of these financial statement

**United Nations Entity for Gender Equality and the Empowerment of Women**  
**II. Statement of financial performance for the year ended 31 December 2023**

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
<b>Revenue</b>			
Voluntary contributions	Note 18	584 834	647 595
Assessed contributions	Note 19	10 474	9 392
Investment revenue	Note 20	21 187	8 762
Other revenue	Note 21	2 422	2 206
Exchange transactions revenue	Note 22	140	43
<b>Total revenue</b>		<b>619 057</b>	<b>667 998</b>
<b>Expenses</b>			
Employee benefits	Note 23	186 163	175 863
Contractual services	Note 23	156 361	165 747
Grants and other transfers	Note 23	19 727	18 668
Supplies and maintenance	Note 23	23 924	20 197
Operating costs	Note 23	112 766	113 160
Travel costs	Note 23	39 393	32 738
Depreciation and amortization	Note 23	3 089	3 035
Finance costs	Note 23	47	183
Other expenses	Note 23	4 633	6 700
<b>Total expenses</b>		<b>546 103</b>	<b>536 291</b>
<b>Gains and (losses)</b>	Note 24	<b>6 547</b>	<b>(892)</b>
<b>Surplus for the year</b>		<b>79 501</b>	<b>130 815</b>

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

**United Nations Entity for Gender Equality and the Empowerment of Women**  
**III. Statement of changes in net assets/equity for the year ended 31 December**  
**2023**

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
<b>Net assets/equity at the beginning of the year</b>		1 190 603	1 032 123
<i>Adoption of IPSAS 41</i>			
Reallocation of end balance of fair value of available-for-sale investment reserve to accumulated surplus		(2 842)	-
Accumulated surplus		2 842	-
Accumulated surplus/ restated net asset /equity		<b>1 190 603</b>	<b>1 032 123</b>
<b>Movement during the year</b>			
Current-year surplus		79 501	130 815
Refunds to donors	Note 16	(2 225)	(2 410)
Changes in fair value of available-for-sale investments	Note 17	-	(11 055)
Actuarial (losses)/gains	Note 16	(5 693)	41 130
<b>Net assets/equity at the end of the year</b>		<b>1 262 186</b>	<b>1 190 603</b>

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

**United Nations Entity for Gender Equality and the Empowerment of Women**  
**IV. Statement of cash flow for the year ended 31 December 2023**

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
<b>Cash flows from operating activities</b>			
Net surplus for the year		79 501	130 815
Interest revenue		(16 359)	(8 740)
Amortization on investments		(4 335)	477
Dividend revenue		(493)	(499)
Unrealized loss/(gain) on foreign exchange		6 547	(892)
Depreciation and amortization expense	Note 23	3 089	3 035
(Increase) in accounts receivable		(43 035)	(104 314)
Decrease in other assets		2 102	9 552
(Increase) in advances		(13 506)	(7 933)
Increase/(decrease) in accounts payable		32 760	(10 172)
Increase/(decrease) in employee benefits		14 719	(27 004)
Increase/(decrease) in other liabilities		11 402	(2 293)
Losses on sale of property, plant and equipment		316	176
Refunds to donors	Note 16	(2 225)	(2 410)
Change in fair value of available-for-sale investments		(7 093)	252
Actuarial (losses)/gains	Note 16	(5 693)	41 130
<b>Net cash generated from operating activities</b>		<b>57 697</b>	<b>21 180</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(3 122)	(3 678)
Purchases of intangible assets		(16)	(5)
Proceeds from sales of property, plant and equipment		24	63
Purchases of investments – amortized cost	Note 7.1	(338 072)	(230 751)
Maturities of investments – amortized cost	Note 7.1	361 544	227 968
Interest received		18 087	7 250
Dividend received		486	488
Movement in investments – fair value through surplus/deficit		(1 818)	(2 594)
<b>Net cash generated from investing activities</b>		<b>37 113</b>	<b>(1 259)</b>
<b>Net increase in cash and cash equivalents</b>		<b>94 810</b>	<b>19 921</b>
Cash and cash equivalent at beginning of year		122 040	101 227
Effect of exchange rate changes on cash and cash equivalents		(6 547)	892
<b>Cash and cash equivalent at end of year</b>	Note 6	<b>210 303</b>	<b>122 040</b>

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

**United Nations Entity for Gender Equality and the Empowerment of Women**  
**V. Statement of comparison of budget and actual amounts for the year ended**  
**31 December 2023**

(Thousands of United States dollars)

	<i>31 December 2023</i>			
	<i>Original budget</i>	<i>Final budget</i>	<i>Actual amounts on comparable basis</i>	<i>Difference between final budget and actual amounts</i>
Regular budget activities	10 615	10 615	11 321	(706)
Development activities				
Programme	418 093	564 847	463 208	101 639
Development effectiveness	27 100	21 249	21 286	(37)
<b>Subtotal</b>	<b>445 193</b>	<b>586 096</b>	<b>484 494</b>	<b>101 602</b>
United Nations development coordination	17 350	15 175	14 987	188
Management activities				
Recurring	48 600	49 629	47 146	2 483
<b>Subtotal</b>	<b>48 600</b>	<b>49 629</b>	<b>47 146</b>	<b>2 483</b>
Independent oversight and assurance activities				
Evaluation	3 200	2 419	2 497	(78)
Audit and investigations	2 900	3 635	3 534	101
<b>Subtotal</b>	<b>6 100</b>	<b>6 054</b>	<b>6 031</b>	<b>23</b>
Special purpose activities				
Capital investments: information and communications technology transformation	2 500	2 500	2 402	98
Change management	150	-	-	-
Capital investments: minimum operating security standards compliance	450	445	334	111
<b>Subtotal</b>	<b>3 100</b>	<b>2 945</b>	<b>2 736</b>	<b>209</b>
<b>Total budget</b>	<b>530 958</b>	<b>670 514</b>	<b>566 715</b>	<b>103 799</b>
<b>Total institutional budget</b>	<b>102 250</b>	<b>95 052</b>	<b>92 186</b>	<b>2 866</b>

The accompanying notes are an integral part of these financial statements; see also note 26.



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**United Nations Entity for Gender Equality and the Empowerment of Women**  
**Notes to the financial statements**

**Note 1**

**Reporting entity**

The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) was established by the General Assembly in its resolution [64/289](#) of 2 July 2010 and became operational in January 2011. Grounded in the vision of equality enshrined in the Charter of the United Nations, UN-Women works towards the elimination of discrimination against women and girls; the economic empowerment of women; and the achievement of equality between women and men as partners in and beneficiaries of development, human rights, humanitarian action, and peace and security.

UN-Women is mandated to support intergovernmental bodies, such as the Commission on the Status of Women, in their formulation of policies, global norms and standards. The Entity mobilizes political will and resources to help Member States to implement those standards, standing ready to provide suitable technical and financial support to those countries that request it and to forge successful partnerships with civil society. Furthermore, UN-Women has been assigned the mandate to hold the United Nations system accountable for its own commitment on gender equality through the system-wide action programme.

UN-Women is governed by its Executive Board, which consists of representatives of its Member States. The Executive Board guides the strategic direction and policies of the Entity to ensure that all operational aspects of the activities of UN-Women are executed effectively by the Executive Director and Under-Secretary-General.

UN-Women is headquartered in New York and is expanding its presence at the regional and country levels. The Entity's regional architecture comprises 6 regional offices and 62 country offices and serves 59 additional countries through United Nations reform presences (including non-resident forms of programme delivery and coordination for gender equality and women's empowerment). UN-Women serves the donor community and partners through liaison offices in Abu Dhabi, Addis Ababa, Almaty, Brussels, Copenhagen, Geneva and Tokyo.

UN-Women has no subsidiaries or jointly controlled entities.

**Note 2**

**Statement of Approval**

The financial statements were certified by the Director, Division of Management and Administration as required by UN-Women Financial Regulations and Rules and transmitted for issuance by the Executive Director on 30 April 2024.

**Basis of Preparation**

The financial statements of UN-Women have been prepared on a full accrual and going concern basis in accordance with the International Public Sector Accounting Standards (IPSAS) and the financial regulations and rules of UN-Women.

UN-Women apply historical cost principle, except for the following material items, in its statement of financial position.

- a. Financial instruments that are measured at fair value through surplus or deficit;
- b. Employee benefits: defined-benefit plan liabilities that are appraised using an actuarial valuation method;
- c. Assets acquired through non-exchange transactions that are initially measured at fair value.

## **Foreign currency**

### *Functional and presentation currency*

Items included in the financial statements are measured using currency at the primary economic environment in which an entity operates in (“functional currency”). The functional and reporting currency of UN-Women is the United States dollar and these financial statements are expressed in thousands of United States Dollars unless otherwise indicated.

Where transactions have been made in currencies other than the United States dollar, the amounts are translated into United States dollars at the prevailing United Nations operational rates of exchange at the date of the transaction. Monetary assets and liabilities in currencies other than the United States dollar are translated into the United States dollar at the prevailing United Nations operational rate of exchange in effect at the reporting date. Non-monetary assets and liabilities denominated in a currency other than the United States dollar that are measured at historical cost are translated at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses, both realized and unrealized, resulting from such transactions are accounted for in the statement of financial performance and included under gains and losses.

## **Significant accounting policies**

Under the accrual basis of accounting, revenue and expenses (except for non-exchange transactions) are recognized in the financial statements in the period to which they relate.

## **Revenue**

Voluntary contributions for regular resources are recognized as revenue when there is a signed agreement or letter of exchange (from a designated official of a Government), other than a pledge, or on a cash basis at the time that funds are received where no agreement or letter of exchange is in place. Where a signed agreement or letter of exchange is received from a donor, including multi-year agreements, revenue is recognized in full at the time that the contribution agreement is signed, where no performance conditions are present.

Voluntary contributions for other resources are recognized as revenue when a signed agreement is received from a donor during the financial year, unless any condition defers this recognition. Where a signed agreement is received from a donor, including multi-year agreements, revenue is recognized in full at the time that the contribution agreement is signed, where no performance conditions are present. Where contribution agreements have conditions, UN-Women recognizes a liability, and revenue recognition is deferred until such conditions are met. UN-Women recognizes assets when control over the resources is established as a result of past events.

Assessed contributions are issued as an annual allotment from the United Nations regular budget funded from the Assessed contributions of United Nations and is issued for a one-year budget period.

In-kind contributions, except services, that directly support approved operations and activities, which have budgetary impact and can be reliably measured, are recognized at fair value as expense and contribution. Those contributions include use of premises and utilities.

In-kind contributions of services are not recognized as revenue.

Donated property, plant and equipment are valued at fair market value and recognized as fixed assets and contributions. The donated right to use an asset is valued at the fair market value of the right to use. The excess of the fair market value of the right to use over any sums actually paid is shown as contribution income together with a matching expense. When transferred assets are received as contributions in kind and conditions requiring their return upon non-performance are disclosed in the agreements, a liability is initially recognized. When these conditions are satisfied, the revenue is recognized. When restrictions are disclosed in the agreements which do not require their return, the revenue is recognized upon confirmation of contributions.

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Revenue from exchange transactions is recognized when it is probable that future economic benefits or service potential will flow to UN-Women and those benefits can be measured reliably. Revenue should be measured at the fair value of the consideration received or receivable. When the consideration is cash or in a monetary amount, measurement shall be at this amount.

**(a) Expenses**

Expenses are recognized when goods are delivered and services are rendered. Project expenses incurred by responsible parties and implementing partners are recognized in the period in which the activities were completed.

**(b) Financial instruments**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Initial recognition*

All financial assets and liabilities, including contribution receivables, other receivables and payables are initially recognized when UN-Women becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issue, except when such instrument is designated at fair value through surplus and deficit. UN-Women do not have any financial instruments recognized at fair value through net assets or equity.

At initial recognition, UN-Women measures short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

*Financial assets*

On initial recognition, all financial assets are recorded at fair value plus transaction cost. However, for financial assets subsequently measured at Fair Value through Surplus or Deficit ('FVSD'), the transaction cost is not included in the carrying amount of the asset but expensed off in Surplus or Deficit.

A financial asset is subsequently measured at amortized cost if it meets both of the following conditions and is not designated as at FVSD:

- The financial asset is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at FVSD.

*Financial assets at amortized cost*

UN-Women initially recognizes receivables on the date that they originated. All other financial assets are recognized initially on the trade date, which is the date UNDP, as treasurer for UN-Women, becomes party to the contractual provisions of the instrument. UN-Women has outsourced treasury functions to UNDP and therefore UNDP enters into contractual relationships on UN-Women's behalf.

*Financial assets with maturities in excess of 12 months* at the reporting date are

categorized as non-current assets in the financial statements. Assets denominated in foreign currency are translated into United States dollars at the United Nations operational rates of exchange prevailing at the reporting date, with gains and losses recognized in surplus or deficit in the statement of financial performance.

*Cash and cash equivalents* include cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, net of expected credit losses for restricted use currencies. Financial instruments classified as cash equivalents include investments with a maturity of three months or less from the date of acquisition.

*Receivables* comprise contributions receivable, which represent amounts due based on dates indicated in signed contribution agreements, including multi-year contributions, recognized in full at the time the agreement is signed, except for agreements that have performance conditions beyond the control of UN-Women.

For contributions that are receivable over a span of multiple years, UN-Women recognizes contributions receivable for the portion of contributions that are due to be received within the reporting year, whereas the remaining portion due to be received in future is measured and recognized at amortized cost.

*Financial assets at fair value through surplus or deficit*

Financial assets at fair value through surplus or deficit are so designated on initial recognition or are held for trading. They are initially recorded at fair value and any transaction costs are expensed. The assets are measured at fair value at each reporting date, and any resultant fair value gains or losses recognized through surplus or deficit. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties in accordance with the UNDP investment guidelines.

UN-Women classifies derivatives as financial assets at fair value through surplus or deficit in the statement of financial performance when UNDP has entered such arrangements on its behalf. The fair value of derivatives is obtained from counterparties and is compared with internal valuations, which are based on valuation methods and techniques generally recognized as standard in the industry. Assets in this category are classified as current assets if they are expected to be realized within 12 months of the reporting date.

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#### *Subsequent management and gains and losses*

The following table summarizes UN-Women's policies for subsequent measurement and recognition of subsequent gains and losses on its financial assets:

<i>Financial asset</i>	<i>Subsequent measurement and recognition</i>
Financial assets at FVSD	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend revenue, are recognized in surplus or deficit.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest revenue, foreign exchange gains and losses and impairment are recognized in surplus or deficit. Any gain or loss on derecognition is recognized in surplus or deficit.

#### *Derecognition of financial assets*

UN-Women derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which UN-Women neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

#### *Write offs*

The gross carrying amount of a financial asset is written off when UN-Women has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual contribution receivables, UN-Women has a policy of writing off the gross carrying amount when the financial asset is deemed to be non-recoverable and all efforts for recovery have been exhausted.

#### *Financial liabilities - Classification, subsequent measurement and gains and losses.*

Financial liabilities are classified as measured at amortized cost or FVSD. A financial liability is classified as at FVSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Fair value through surplus or deficit financial liabilities are those held for trading or those that are so designated on initial recognition. They are initially recorded at fair value and any transaction costs are expensed. The liabilities are measured at fair value at each reporting date, and any resultant fair value gains or losses are recognized through surplus or deficit. UN-Women classifies derivatives as financial liabilities at fair value through surplus or deficit in the statement of financial performance. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties in accordance with the UNDP investment guidelines. These include derivatives embedded in time deposits that permit the instrument to be repaid by counterparties in an alternative currency in exchange for a higher yield. The fair value of derivatives is obtained from counterparties and is compared with internal valuations, which are based on valuation methods and techniques generally recognized as standard in the industry. Liabilities in this category are classified as current

liabilities if they are expected to be settled within 12 months of the reporting date.

All non-derivative financial liabilities are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method where material to the financial statements.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

Payables and accruals arising from the purchase of goods and services are recognized initially at fair value and subsequently measured at amortized cost when goods/services are delivered/rendered and accepted by UNDP. Liabilities are stated at invoice amounts, less payment discounts at the reporting date. Liabilities are estimated where invoices are not available at the reporting date.

#### *Financial liabilities classification*

<i>IPSAS classification</i>	<i>Types of financial liabilities</i>
Other financial liabilities	Accounts payable and accrued liabilities, funds held on behalf of donors, advances payable, other liabilities and payables, and United Nations entities.
Fair value through surplus or deficit	Derivative liabilities

#### *Other financial liabilities*

Other liabilities include unapplied deposits and other payables. Unapplied deposits represent contributions received from donors that have not been applied against contributions receivable for earmarked activities.

#### *Derecognition of financial liability*

UN-Women derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. UN-Women also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms are recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in surplus or deficit.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, UN-Women has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **(c) Property, plant and equipment**

Property, plant and equipment are stated at historic cost less accumulated depreciation and any impairment losses. The capitalization threshold for property, plant and equipment for which UN-Women has control is a total cost of at least \$2,500 per unit.

Depreciation is provided for property, plant and equipment over the estimated useful life of each asset using the straight-line method, except for land, which is not subject to depreciation.

Historic cost includes expenditure directly attributable to the acquisition of assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to UN-Women and the cost can be measured reliably.

The estimation of the useful life of the asset is a matter of judgment based on the experience of UN-Women with similar assets. Therefore, the useful life of an asset may be shorter than its economic life. Repair and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

UN-Women is deemed to control an asset if it can use or otherwise benefit from the asset in pursuit of its objectives and if the Entity can exclude or regulate the access of third parties to the asset. This can be the case when UN-Women is implementing a project directly. Project assets that are not controlled by UN-Women are expensed as incurred. Leasehold improvements are recognized as assets in cases in which the total cost is \$10,000 or more, valued at cost and depreciated over the lesser of the remaining useful life of the improvements or the lease term. Impairment reviews are undertaken for all assets at least annually.

The estimated useful life ranges in years for property, plant, and equipment classes are set out in the table below.

<i>Class</i>	<i>Estimated useful life</i>
Land	Not applicable
Buildings	
Permanent	50
Temporary	10
Furniture and fixtures	10
Communications and information technology equipment	6–8
Vehicles	9
Machinery and equipment	7
Security equipment	5

**(d) Intangible assets**

Intangible assets with a finite life are carried at cost less accumulated amortization and any impairment loss. Intangible assets are capitalized provided they have a useful life of more than one year and a cost exceeding \$5,000 for externally acquired and a cost exceeding \$100,000 for internally generated. Amortization is provided on a straight-line basis on all intangible assets of finite life in accordance with its useful life. Where the intangible asset has an indefinite useful life, it will not be amortized, but will be reviewed for impairment by comparing its recoverable service amount with its carrying amount.

Costs incurred to configure and customize, and for subscription fees, to gain access to cloud-based software as a service are recognized as operating expenses when the services are received, since the systems utilized do not meet the criteria to be recognized as controlled assets.

Costs incurred for the development of software code that enhances, modifies or creates additional capability of existing on-premises systems and satisfies the recognition criteria

for an intangible asset are recognized as intangible software assets and amortized over the remaining useful life of the software on a straight-line basis.

The assessment of whether costs to integrate and bridge controlled software to software as a service solutions meet recognition criteria for capitalization as intangible software assets may involve key judgments, including whether a separate asset can be reliably measured.

The estimated useful life ranges in years for intangible asset classes are set out in the table below.

<i>Class</i>	<i>Estimated useful life</i>
Externally acquired	5
Internally developed	5
Copyrights and patents	3

**(e) Leases**

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight - line basis over the period of the lease. The value of the future lease payments within the current lease term is disclosed in note 28.

Leases where the lessee retains a significant portion of the risks and rewards inherent to ownership are classified as finance leases. UN-Women has not entered into any finance leases.

**(f) Employee benefits**

UN-Women recognizes the following employee benefits:

- (a) Short-term employee benefits, which fall due wholly within 12 months after the end of the accounting period in which employees render the related service;
- (b) Long-term employee benefits, which are due to be settled beyond 12 months after the employees render the related service and include:
  - (i) Post-employment benefits (see the sections “United Nations Joint Staff Pension Fund” and “After-service health insurance” below);
  - (ii) Other long-term employee benefits;
- (c) Termination benefits.

Short-term employee benefits are measured at their nominal value based on accrued entitlements at current rates of pay. These benefits may include, at year end, remuneration, accrued annual leave, home leave liability and other short-term benefits.

Post-employment benefits include pension plans, post-employment medical care, repatriation benefits and other lump sums payable after the completion of employment. Post-employment benefit plans are classified as either defined contribution or defined-benefit plans.

UN-Women is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined-benefit plan. As specified by article 3 (b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system



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of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. UN-Women and the Pension Fund, in line with the other participating organizations in the Fund, are not in a position to identify the Entity's proportionate share of the defined-benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, UN-Women has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39: Employee benefits. The contributions of UN-Women to the Pension Fund during the financial period are recognized as expenses in the statement of financial performance.

The after-service health insurance plan extends subsidized health insurance coverage to retirees and their dependants under the same health insurance schemes as for active staff based on certain eligibility requirements. The after-service health insurance plan is a defined-benefit plan.

Other long-term employee benefits are employee benefits that do not fall due wholly within 12 months after the end of the financial period and include long-term compensation in the event of death, injury or illness.

Termination benefits generally include indemnities for voluntary redundancy and are expected to be settled within 12 months of the reporting period.

**(g) Other current assets**

Advances issued represent cash transferred to responsible parties and implementing partners as an advance. Advances issued are initially recognized as assets and subsequently converted to expenses when goods are delivered, or services are rendered by the responsible parties or implementing partners in its statement of financial performance.

Prepayments are issued where agreements with UN-Women and the supplier require up-front payment. Prepayments are recorded as a current asset until goods/services associated with the prepayments are delivered, at which point the expense is recognized and the prepayment is reduced by a corresponding amount.

UN-Women provide salary advances for specified purposes in accordance with the Staff Regulations and Rules of the United Nations. These advances have an initial maturity of less than 12 months, and the carrying amount approximates fair value. The carrying amount is stated less any impairment.

**(h) Provisions, contingent liabilities and contingent assets**

Provisions are made for future liabilities and charges where UN-Women has a present legal or constructive obligation as a result of past events, it is probable that UN-Women shall be required to settle the obligation and a reliable estimate can be made of the obligation.

Other obligations, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of UN-Women and the liability can be reliably estimated.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of UN-Women. Contingent assets are not recognized but are disclosed if an inflow of economic benefits or service potential is

probable.

**(i) Commitments**

Commitments are future expenses to be incurred by UN-Women on contracts entered into by the reporting date and that the Entity has minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (the amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to UN-Women in a future period, non-cancellable minimum lease payments and other non-cancellable commitments. The value of commitments as at 31 December is not recognized in the statement of financial position but is disclosed in the notes to the financial statements. Commitments related to employment contracts are excluded from this disclosure.

**(j) New accounting standards - Adoption of IPSAS 41: Financial Instruments**

IPSAS 41 Financial Instruments replaces IPSAS 29 Financial Instruments: Recognition and Measurement. UN-Women has applied IPSAS 41: Financial Instruments in these financial statements.

As at the date of adoption of IPSAS 41, UN-Women has reclassified its portfolio managed by fund managers external to the UN systems in accordance with the new classification and measurement categories. The following qualitative factors have been considered when reclassifying the financial instruments as per the measurement categories under IPSAS 41:

- The objective of the management model under which the respective financial instrument is held;
- The characteristics of the cash flows generated from the respective financial instruments, their periodicity, and whether they are solely payments of principal and interest on the principal amount outstanding;
- The nature of the financial instrument as equity or a derivative instrument.

UN-Women holds its equity investments through an external investment manager. Previously, equity shares were classified as Available-for-sale (AFS) financial assets according to IPSAS 29 and measured at Fair Value through Net Assets and Equity (FVNAE). On adoption of IPSAS 41, UN-Women determined the portfolio of these externally managed investments as held for trading since the external manager actively trades these instruments. As a result, these investments are classified and measured as Fair Value through Surplus/Deficit (FVSD) beginning on 1 January 2023.

As a result of the above changes in the classification of the financial instruments, the Available-for-sale IPSAS reserve of \$2.84 million was reclassified to accumulated FVSD as of 1 January 2023.

As part of IPSAS 41 adoption, UN-Women has clarified the presentation of Statement of financial performance to show Gains and Losses separately before the surplus/deficit for the year, and comparatives have been restated for the presentation change, reducing other revenue and other expenses by \$3.07 million and \$3.96 million respectively and showing these as losses of \$0.89 million for 2022. The breakdown of Gains and Losses is presented in note 24 Gains and losses.

Summary of the classification under IPSAS 29 and IPSAS 41 are included in table below.

Portfolio/Asset Category	Financial asset	Classification under IPSAS 29	Classification under IPSAS 41		
			Management Model test	SPPI test	Classification Category
Cash & Cash Equivalents	Cash held with banks	Loans & Receivables	Hold to collect cash flows	N/A	Amortized cost
	Petty cash and project cash	Loans & Receivables			Amortized cost
	Money Market Funds & Instruments	Loans & Receivables		Passed	Amortized cost
	Bonds	Loans & Receivables		Passed	Amortized cost
Internally managed investments	Bonds	Held to maturity	Hold to collect cash flows	Passed	Amortized Cost
	Money Market Instruments	Held to maturity			Amortized Cost
Externally managed investments (ASHI and End of Service)	Equity Instruments	Available-for-sale	Held for trading	Considering that the management model for ASHI and EOS Investments are held for trading, there is no need to perform the SPPI test. Accordingly, these investments are classified as FVSD.	FVSD
	Bonds	Available-for-sale			FVSD
Receivables	Contribution Receivables and other receivables	Loans & Receivables	Hold to collect cash flows	Passed	Amortized Cost
Derivative assets	Forward contracts/ Foreign currency options	Held for trading	Held for trading	These financial assets are classified as FVSD.	FVSD

UN-Women follows the historical cost approach to the treatment of Expected Credit Losses (ECL) and does not historically have any credit losses relating to voluntary contributions, therefore there has been no significant impact from the adoption of the ECL model.

**Note 3**

**New accounting standards - Standards issued but not yet effective**

(i) IPSAS 43: Leases has been approved by the IPSAS Board with an effective date of 1 January 2025. IPSAS 43 supersedes IPSAS 13: Leases and introduces the right-of-use model for lessees, improves the transparency of lease accounting in public sector and aligns the accounting approach with the International Financial Reporting Standards. The assessment of the impact and implementation in UN-Women financial statements is ongoing.

(ii) The IPSAS Board issued IPSAS 44: Non-current assets held for sale and discontinued operations, with an effective date of 1 January 2025. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts when the carrying amount is materially lower than their fair value. IPSAS 44 is not expected to have an impact on the financial statements of UN-Women.

(iii) In 2023, the IPSAS Board issued IPSAS 45: Property, plant, and Equipment, which will replace IPSAS 17: Property, plant, and equipment. The new standard will be come effective 1 January 2025 and will add public sector guidance on heritage and infrastructure assets and is aligned with the new measurement principles in the new IPSAS 46: Measurement. IPSAS 45 is not expected to have a significant impact in UN-Women's financial statements, but full impact assessment will be carried out by the implementation date.

(iv) IPSAS 46 was approved by the IPSAS Board in March 2023, bringing together measurement guidance in a single standard and clarifying the concept of deemed cost, including its applicability to property, plant, and equipment held for operational capacity, and replacing the replacement cost measurement basis with the current operational value, a public sector measurement basis. The standard is not expected to have a significant impact in UN-Women's financial statements, but a full impact assessment will be carried out by the implementation date.

(v) In March 2023, the IPSAS Board approved IPSAS 47: Revenue, which is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the three existing revenue standards (IPSAS 9, IPSAS 11 and IPSAS 23) and presents accounting models that will improve financial reporting. IPSAS 47 will be effective on 1 January 2026. Adoption of IPSAS 47 will impact UN-Women financial statements and revenue recognition for earmarked voluntary contribution agreements and on adoption of the standard UN-Women will restate comparative financial information to match the requirements of the new standard to recognize revenue as programmatic activities are implemented. UN Task Force on Accounting Standards has developed guidance on accounting for revenue under IPSAS 47, and UN-Women will follow this guidance in implementing the standard.

(vi) In March 2023, the IPSAS Board approved IPSAS 48: Transfer expenses, which provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap that had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective on 1 January 2026. UN-Women has started a preliminary assessment of the impact of the standard and will complete the assessment before adoption;

(vii) In November 2023, the IPSAS Board approved IPSAS 49: Retirement Benefits with an effective date of 1 January 2026. This standard is not expected to have an impact on UN-Women financial statements as pensions are managed through United Nations Joint Staff Pension Fund.

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**Note 4****Critical accounting estimates and judgments**

The preparation of financial statements in accordance with IPSAS necessarily includes the use of accounting estimates and management assumptions and judgment. The areas where estimates, assumptions or judgment are significant to the financial statements of UN-Women include but are not limited to post-employment benefits obligations, provisions, financial risk on accounts receivable and advances, accrued charges, contingent assets and liabilities, and degree of impairment of accounts receivable, advances, investments and property, plant and equipment. Actual results could differ from those estimates. Changes in estimates are recognized in the period in which they became known.

**Note 5****Segment reporting**

Segment reporting is required to evaluate an entity's past performance and to make decisions about an entity's future allocation of resources. UN-Women reports the following segments:

(a) The regular resources (core/unearmarked) segment reflects the operations of voluntarily donated funds to UN-Women to be used to achieve the mandate of UN-Women at the discretion of the Executive Director of UN-Women;

(b) The other resources (non-core/earmarked) segment represents earmarked voluntarily donated funds to UN-Women for specific projects;

(c) The assessed resources (regular budget) segment represents sums assessed on Member States and transferred to UN-Women by the General Assembly.

Inter-segment transactions are disclosed in the segment reporting, but eliminated in the statement of financial performance.

**Statement of financial position by segment as at 31 December 2023**

(Thousands of United States dollars)

	31 December 2023				31 December 2022
	Regular resources	Other resources	Assessed resources	Total	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	82 705	133 198	(5 600)	210 303	122 040
Investments	120 572	146 361	-	266 933	230 278
Accounts receivable	62 782	277 966	1 055	341 803	264 179
Advances	6 632	63 265	22	69 919	56 413
Other assets	8 262	2 137	-	10 399	9 886
<b>Current assets</b>	<b>280 953</b>	<b>622 927</b>	<b>(4 523)</b>	<b>899 357</b>	<b>682 796</b>

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	31 December 2023			31 December 2022	
	Regular resources	Other resources	Assessed resources	Total	
<b>Non-current assets</b>					
Investments	161 212	195 691	-	356 903	408 120
Accounts receivable	35 993	150 810	-	186 803	221 392
Other assets	7	8	-	15	15
Property, plant and equipment	9 473	2 590	-	12 063	12 365
Intangible assets	14	4	-	18	8
<b>Non-current assets</b>	<b>206 699</b>	<b>349 103</b>	<b>-</b>	<b>555 802</b>	<b>641 900</b>
<b>Total assets</b>	<b>487 652</b>	<b>972 030</b>	<b>(4 523)</b>	<b>1 455 159</b>	<b>1 324 696</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	16 413	18 430	97	34 940	2 179
Employee benefits	23 007	-	-	23 007	21 290
Other liabilities	29 520	5 702	-	35 222	23 487
<b>Current liabilities</b>	<b>68 940</b>	<b>24 132</b>	<b>97</b>	<b>93 169</b>	<b>46 956</b>
<b>Non-current liabilities</b>					
Employee benefits	99 804	-	-	99 804	86 803
Other liabilities	-	-	-	-	334
<b>Non-current liabilities</b>	<b>99 804</b>	<b>-</b>	<b>-</b>	<b>99 804</b>	<b>87 137</b>
<b>Total liabilities</b>	<b>168 744</b>	<b>24 132</b>	<b>97</b>	<b>192 973</b>	<b>134 093</b>
<b>Net assets</b>	<b>318 908</b>	<b>947 898</b>	<b>(4 620)</b>	<b>1 262 186</b>	<b>1 190 603</b>
<b>Net assets/equity</b>					
Accumulated surplus/(deficit)	293 506	838 974	(4 308)	1 128 172	999 767
Adoption of IPSAS 41	(2 842)	-	-	(2 842)	-
Changes in fair value of available for sale investments					
Prior period adjustment	2 842	-	-	2 842	-
Current-year surplus/(deficit)	(31 336)	111 149	(312)	79 501	130 815
Operational Reserves	26 520	-	-	26 520	26 520
Field accommodation reserve	1 000	-	-	1 000	1 000
Actuarial gains/(losses)	29 218	-	-	29 218	34 911
Refunds to donors	-	(2 225)	-	(2 225)	(2 410)
<b>Total net assets/equity</b>	<b>318 908</b>	<b>947 898</b>	<b>(4 620)</b>	<b>1 262 186</b>	<b>1 190 603</b>

Total net assets/equity, in accordance with the statement of financial position by segment, includes:

(d) Regular resources: the cash required to fund operations for the first few months of the new financial year while UN-Women waits for new voluntary contributions from donor Governments, funded employee benefits and liabilities, and the prior years' unspent

cash balances;

(e) Other resources: the unspent budgets for earmarked projects and programmes which will be expensed in future periods in accordance with donor agreements.

UN-Women costs for acquisitions of property, plant and equipment and intangible assets from both regular and other resources are summarized in the table below.

### Statement of financial performance by segment for the year ended 31 December 2023

(Thousands of United States dollars)

	31 December 2023					31 December 2022
	Regular resources	Other resources	Assessed resources	Elimination	Total	
<b>Revenue</b>						
Contributions	108 631	476 203	10 474	-	595 308	656 987
Investment revenue	20 180	1 007	-	-	21 187	8 762
Other revenue	242	1 068	1 112	-	2 422	2 206
Cost recovery	-	26 680	-	(26 680)	-	-
Cost attribution	13 002	-	-	(13 002)	-	-
Revenue from exchange transactions	-	140	-	-	140	43
<b>Total revenue</b>	<b>142 055</b>	<b>505 098</b>	<b>11 586</b>	<b>(39 682)</b>	<b>619 057</b>	<b>667 998</b>
<b>Expenses</b>						
Employee benefits	73 939	100 727	11 497	-	186 163	175 863
Contractual services	33 505	122 733	123	-	156 361	165 747
Grants and other transfers	908	18 819	-	-	19 727	18 668
Supplies and maintenance	9 235	14 680	9	-	23 924	20 197
Operating costs	47 768	104 533	147	(39 682)	112 766	113 160
Travel costs	12 730	26 542	121	-	39 393	32 738
Depreciation and amortization	2 220	868	1	-	3 089	3 035
Finance costs	32	15	-	-	47	183
Other expenses	(399)	5 032	-	-	4 633	6 700
<b>Total expenses</b>	<b>179 938</b>	<b>393 949</b>	<b>11 898</b>	<b>(39 682)</b>	<b>546 103</b>	<b>536 291</b>
<b>Gains and (losses)</b>	<b>6 547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 547</b>	<b>( 892)</b>
<b>Surplus/(deficit) for the period</b>	<b>(31 336)</b>	<b>111 149</b>	<b>(312)</b>	<b>-</b>	<b>79 501</b>	<b>130 815</b>

**Note 6**  
**Cash and cash equivalents**

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Cash in bank accounts	503	4 256
Petty cash	36	178
Money market	148 384	115 333
Term deposits and other	61 380	2 273
<b>Total</b>	<b>210 303</b>	<b>122 040</b>

Cash and cash equivalents comprise balances held by field offices, money market account balances and term deposits with terms of less than three months. Cash required for immediate disbursement is maintained in cash and bank accounts. Money market and deposit accounts are available at short notice. Cash and cash equivalents relate to both regular resources and other resources. Financial instruments classified as cash equivalents include investments with a maturity of three months or less from the date of acquisition.

**Note 7**  
**Investments**

(Thousands of United States dollars)

	31 December 2023	31 December 2022
<b>Current investments</b>		
Amortized cost	266 378	230 022
Fair value through surplus or deficit	555	256
<b>Total current investments</b>	<b>266 933</b>	<b>230 278</b>
<b>Non-current investments</b>		
Amortized cost	296 306	356 135
Fair value through surplus or deficit	60 597	51 985
<b>Total non-current investments</b>	<b>356 903</b>	<b>408 120</b>
<b>Total investments</b>	<b>623 836</b>	<b>638 398</b>

Investments include amortized costs assets managed by UNDP and fair value through surplus or deficit assets held and managed by external investment managers for after-service portfolios.

The exposure of UN-Women to credit risk, market risk and currency risks, and its risk management activities related to financial assets, including investments, are discussed in note 25.

The Entity's cash and cash equivalents and investments include funding for after-service health insurance, repatriation and death benefits in the amount of \$124.74 million (2022: \$112.79 million), in accordance with note 14, operational reserve, in the amount of \$26.50 million, and field accommodation reserve, in the amount of \$1.00 million, in



accordance with note 17. Investments relate to both regular resources and other resources.

## 7.1

### Investments -Amortized costs

(Thousands of United States dollars)

	<i>Closing balance 31 December 2022</i>	<i>Purchases</i>	<i>Maturities</i>	<i>Amortization</i>	<i>Unrealized gains/ losses</i>	<i>Reclassification non-current to Current</i>	<i>Closing balance 31 December 2023</i>	<i>Fair value</i>
<b>Current investments</b>								
Time Deposits	-	40 000	-	-	-	-	40 000	40 000
Money market instruments	24 908	102 549	(119 805)	2 197	-	-	9 849	9 839
Bonds and notes	205 113	19 644	(205 120)	263	-	196 629	216 529	212 547
<b>Subtotal</b>	<b>230 021</b>	<b>162 193</b>	<b>(324 925)</b>	<b>2 460</b>	<b>-</b>	<b>196 629</b>	<b>266 378</b>	<b>262 386</b>
<b>Non-current investments</b>								
Money market instruments	-	10 000	(10 000)	-	-	-	-	-
Bonds and notes	356 135	165 879	(29 950)	871	-	(196 629)	296 306	290 094
<b>Subtotal</b>	<b>356 135</b>	<b>175 879</b>	<b>(39 950)</b>	<b>871</b>	<b>-</b>	<b>(196 629)</b>	<b>296 306</b>	<b>290 094</b>
<b>Total -amortized cost</b>	<b>586 156</b>	<b>338 072</b>	<b>(364 875)</b>	<b>3 331</b>	<b>-</b>	<b>-</b>	<b>562 684</b>	<b>552 480</b>

Fair value through surplus or deficit financial assets are carried at amortized cost calculated by using the effective interest method. As at 31 December 2023, the fair value of those assets was lower than the book value by \$10.20 million. Fair values are based on quoted market prices from reputable vendors.

## 7.2

### Investments – Fair value through surplus or deficit

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
<b>Current investments</b>		
Bonds	549	260
Bonds – fair value adjustments	6	(4)
<b>Total current investments</b>	<b>555</b>	<b>256</b>
<b>Non-current investments</b>		
Equities	31 017	31 122
Equities – fair value adjustments	5 630	103
Bonds	25 627	23 993
Bonds – fair value adjustments	(1 677)	(3 233)
<b>Total non-current investments</b>	<b>60 597</b>	<b>51 985</b>
<b>Total fair value through surplus or deficit</b>	<b>61 152</b>	<b>52 241</b>

The table below presents the fair value hierarchy of the Entity's fair value through surplus or deficit financial instruments carried at fair value as at 31 December 2023.

(Thousands of United States dollars)

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Fair value through					
surplus or deficit					
Equities	36 647	–	–	36 647	31 225
Bonds	24 505	–	–	24 505	21 016
<b>Total</b>	<b>61 152</b>	<b>–</b>	<b>–</b>	<b>61 152</b>	<b>52 241</b>

The three fair value hierarchies are defined by IPSAS on the basis of the significance of the inputs used in the valuation as follows:

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

Held for trading financial assets represent investments managed by external investment managers for after-service health insurance (see notes 7 and 25).

The fair value of the financial assets and liabilities are included at the amount which the instrument could be exchange in a current transaction between willing parties, other than forced sale or liquidation.

## Note 8

### Accounts receivable

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
<b>Current accounts receivable</b>		
Contributions receivable	341 803	264 179
<b>Subtotal</b>	<b>341 803</b>	<b>264 179</b>
<b>Non-current accounts receivable</b>		
Contributions receivable	186 803	221 392
<b>Subtotal</b>	<b>186 803</b>	<b>221 392</b>
<b>Total accounts receivable</b>	<b>528 606</b>	<b>485 571</b>

Contributions receivable represents uncollected non-exchange revenue committed to UN-Women by donors, including other United Nations entities. The comparative presentation, but not the total values, has changed as part of IPSAS 41 adoption and impairment recorded in prior year is not presented separately.

## Note 9 Advances

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Advances provided to United Nations agencies	10 235	5 510
Advances provided to other partners	56 826	48 554
<i>Shown by fund type:</i>		
Regular resources	2 777	213
Other resources		
Cost-sharing	43 302	33 035
United Nations trust fund in support of actions to eliminate violence against women	10 748	15 307
Fund for Gender Equality	-	-
Less: allowance for impairment of advances to partners	(164)	(242)
<b>Subtotal</b>	<b>66 897</b>	<b>53 822</b>
Programme cash advances	967	-
Advances to staff	2 055	2 591
<b>Total advances</b>	<b>69 919</b>	<b>56 413</b>

Advances to staff include salary and rental advances and prepaid education grants, which are generally settled within a 12-month period.

## Note 10 Other assets

(Thousands of United States dollars)

	31 December 2023	31 December 2022
<b>Current assets</b>		
Interest and dividends receivable	4 765	2 150
Prepaid expenses	333	13
Derivative asset	-	9
Receivables from United Nations agencies	-	1 341
Miscellaneous accounts receivable	5 301	6 373
<b>Subtotal</b>	<b>10 399</b>	<b>9 886</b>
<b>Non-current assets</b>		
Security deposit	15	15
<b>Subtotal</b>	<b>15</b>	<b>15</b>
<b>Total other assets</b>	<b>10 414</b>	<b>9 901</b>

Miscellaneous accounts receivable includes value added tax/sales tax and tax reimbursements due from the United Nations, other receivables due and expenditure paid in advance.

**Note 11**  
**Property, plant and equipment**

(Thousands of United States dollars)

	<i>Building</i>	<i>Communication and information technology equipment</i>	<i>Furniture and fixtures</i>	<i>Vehicles</i>	<i>Heavy machinery/ equipment</i>	<i>Leasehold improvements</i>	<i>Construction of fixed assets</i>	<i>Total</i>
<b>As at 31 December 2022</b>								
Cost	2 519	13 818	1 098	11 654	2 425	3 383	84	34 981
Accumulated depreciation	(1 394)	(8 263)	(742)	(7 680)	(1845)	(2 692)	-	(22 616)
<b>Net book value</b>	<b>1 125</b>	<b>5 555</b>	<b>356</b>	<b>3974</b>	<b>580</b>	<b>691</b>	<b>84</b>	<b>12 365</b>
<b>Movements year to 31 December 2023</b>								
Additions and Adjustments	316	1 105	15	1 151	149	35	351	3 122
Retirements and disposals	(116)	(550)	(3)	(134)	(25)	(584)	-	(1 412)
Retirements – accumulated depreciation	-	333	-	134	25	579	-	1 071
Depreciation	(189)	(1 521)	(68)	(868)	(147)	(290)	-	(3 083)
<b>Closing net book value as at 31 December 2023</b>	<b>1 136</b>	<b>4 922</b>	<b>300</b>	<b>4 257</b>	<b>582</b>	<b>431</b>	<b>435</b>	<b>12 063</b>
<b>As at 31 December 2023</b>								
Cost	2 719	14 373	1 110	12 671	2 549	2 834	435	36 691
Accumulated depreciation	(1 583)	(9 451)	(810)	(8 414)	(1 967)	(2 403)	-	(24 628)
<b>Net book value</b>	<b>1 136</b>	<b>4 922</b>	<b>300</b>	<b>4 257</b>	<b>582</b>	<b>431</b>	<b>435</b>	<b>12 063</b>

As at 31 December 2023, UN-Women did not have any impairment in property, plant and equipment. UN-Women holds fully depreciated property, plant and equipment that is still in use, with a cost of \$9.1 million as at 31 December 2023.

## Note 12

### Intangible assets

(Thousands of United States dollars)

	<i>Externally acquired software</i>	<i>Total</i>
<b>As at 31 December 2022</b>		
Cost	417	417
Accumulated amortization	(409)	(409)
<b>Net book value</b>	<b>8</b>	<b>8</b>
<b>Movements year to 31 December 2023</b>		
Additions and adjustments	16	16
Amortization	(6)	(6)
<b>Closing net book value as at 31 December 2023</b>	<b>18</b>	<b>18</b>
<b>As at 31 December 2023</b>		
Cost	433	433
Accumulated amortization	(415)	(415)
<b>Net book value</b>	<b>18</b>	<b>18</b>

## Note 13

### Accounts payable

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Payable to third parties	16 302	4
Payables to United Nations agencies		
United Nations Development Programme	5 971	-
United Nations Population Fund	-	16
United Nations University	1	1
Accruals	12 666	2 158
<b>Total accounts payable</b>	<b>34 940</b>	<b>2 179</b>

Accruals represent estimates for the value of goods or services received, for which invoices have not yet been received and for which the liability has occurred and can be reasonably estimated.

**Note 14**  
**Employee benefits**

(Thousands of United States dollars)

	31 December 2023	31 December 2022
<b>Current employee benefits</b>		
Accrued annual leave	17 043	17 966
Accrued home leave	2 668	1 855
After-service health insurance	600	610
Repatriation benefits	2 667	830
Death benefit	29	29
<b>Subtotal</b>	<b>23 007</b>	<b>21 290</b>
<b>Non-current employee benefits</b>		
After-service health insurance	78 982	76 586
Repatriation benefits	20 429	9 914
Death benefit	393	303
<b>Subtotal</b>	<b>99 804</b>	<b>86 803</b>
<b>Total employee benefits</b>	<b>122 811</b>	<b>108 093</b>

**(a) Current employee benefits**

The current portion of employee benefits includes annual leave and home leave calculated in accordance with the Staff Regulations and Rules of the United Nations. Also included are the current portions of accrued after-service health insurance, repatriation benefits and death benefits, as determined by actuarial valuation. Current liabilities relating to employee benefits increased by \$1.71 million (2022: \$1.10 million).

**(b) Non-current employee benefits**

The non-current portion of employee benefits includes the non-current portions of after-service health insurance, repatriation benefits and death benefits, as determined by actuarial valuation.

**Actuarial valuations**

The liabilities arising from post-employment benefits are determined by independent actuaries, and those employee benefits are established in accordance with the Staff Regulations and Rules of the United Nations.

The actuarial valuation for after-service health insurance, repatriation benefits and death benefits was prepared for the purpose of providing results for financial disclosure and reporting as at 31 December 2023 in accordance with IPSAS 39: Employee benefits. UN-Women carry out a full actuarial valuation on a biennial basis, with most recent full valuation carried out as at 31 December 2023.

**After-service health insurance**

UN-Women provides end-of-service medical benefits for its eligible former staff members and their dependents in the form of insurance premiums for the medical and accident insurance plan. Eligible former staff members are 55 years of age and older and have 5 or more years of service for staff hired before 1 July 2007, or 10 or more years of

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service for staff hired on or after 1 July 2007 of contributory health insurance coverage prior to retirement.

The non-current portion of after-service health insurance of \$78.98 million includes an obligation for active staff not yet fully eligible amounting to

\$41.52 million, which represents active employees who are not yet eligible as at the valuation date and is determined assuming that some portion of each employee group will leave UN-Women prior to meeting the age and service requirements.

The plan was funded to \$96.11 million as of 31 December 2023 (2022: \$93.02 million), and a funding plan for providing 8 per cent commenced on 1 January 2014. The assets held to support the plan are invested either separately in an after-service health insurance investment account by external fund managers or with the regular cash and investments of UN-Women (see notes 7 and 25).

The present value of the defined-benefit obligations for post-employment medical insurance is determined using the projected unit credit method, including discounting the estimated future cash outflows.

### **Repatriation benefits**

UN-Women provides end-of-service repatriation benefits (grant and travel and shipment of personal effects) for its eligible staff members and their dependants upon separation. Eligible staff are international appointments who have been separated from active service after qualifying service of one year or longer, who resided at the last duty station outside their country of nationality and have not been summarily dismissed or separated from service on grounds of abandonment of post.

The non-current portion of repatriation benefits of \$20.43 million includes an obligation for active staff not yet fully eligible, amounting to \$6.03 million, which represents active employees who are not yet eligible as at the valuation date and which is determined assuming that some portion of each employee group will leave UN-Women prior to meeting the age and service requirements. The 2023 actuarial report showed an actuarial loss having been recorded owing to experience adjustment.

The plan is funded to the amount of \$22.57 million (2022: \$19.4 million) as at 31 December 2023, and a funding plan for providing 3.75 per cent commenced from 1 January 2014. The assets held to support the plan are included in the pool of investments of UN-Women (see note 7).

### **Death benefits**

Death benefit is a post-employment defined-benefit plan. The obligation to provide this entitlement is generated when eligible employees report for service. The payment is made upon the death of an employee who leaves behind a surviving spouse or a dependent child. Staff members on full-time continuous service, on fixed-term, or continuing or permanent appointment are eligible to receive death benefits provided that the staff members are married or have dependent children at their death. No benefit is payable in the case of staff members who are unmarried and/or without recognized dependent children. The plan is fully funded to the amount of \$0.45 million (2022:\$0.37 million) as at 31 December 2023, and the assets held to support the plan are included in the pool of investments of UN-Women (see note 7).

The movement in the present value of the defined benefit in accordance with the actuarial valuation was as follows:

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Death benefit</i>	<i>Totals</i>
<b>Net defined-benefit obligation at the beginning of the year</b>	<b>77 196</b>	<b>10 744</b>	<b>332</b>	<b>88 272</b>
<b>Increase of the obligation</b>				
Service cost	5 211	514	15	5 740
Interest on obligation	4 135	530	16	4 681
Actuarial (gain)/loss	(6 557)	12 161	89	5 693
<b>Decrease of the obligation</b>				
Benefit payments	(403)	(853)	(30)	(1 286)
<b>Net recognized liability at the end of the year</b>	<b>79 582</b>	<b>23 096</b>	<b>422</b>	<b>103 100</b>

The benefit payments set out in the table above are estimated on the basis of the 2023 year-end actuarial valuations. As at 31 December 2023, actual benefit payments made by UN-Women comprised after-service health insurance in the amount of \$0.59 million (2022: \$0.39 million) and repatriation benefits in the amount of \$0.56 million (2022: \$0.49 million), there were \$0.02 million payments for death benefits (2022: no payment).

The 2023 annual expense amounts recognized in the statement of financial performance are as follows:

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>
Service cost	5 211	514
Interest on obligation	4 135	530
<b>Total expenses recognized</b>	<b>9 346</b>	<b>1 044</b>

### Actuarial assumptions

The two key assumptions used by the actuary to determine defined-benefit liabilities are the discount rate and, for after-service health insurance, the health care cost-trend rate.

**Inflation rate.** The inflation rate is an economic indicator that measures the rate of increase of a price index. Under IPSAS 39: Employee benefits, assumptions such as the discount rate and the health-care cost trend should be based on the same underlying inflation assumption. An inflation assumption rate of 2.30 per cent was used for the 31 December 2023 valuation (2022: 2.50 per cent). This inflation assumption rate is used as a proxy for the long-term inflation expectations over the next 20 years, which is consistent with the expected duration of the obligations.

**Discount rate.** The discount rate should reflect the time value of money and the estimated timing of future benefit payments. In accordance with IPSAS 39: Employee benefits, the discount rate used to determine the defined-benefit obligations should be based on market rates for high-quality corporate bonds that match the currency and estimated term of the obligations. The United Nations has used the yield curves issued by Aon Hewitt for the United States (USD), the Eurozone (EUR) and Switzerland (CHF) for determining the discount rate for the actuarially valued defined-benefit plans. Actuarial valuations were



performed using the full discount curves, and once the results were obtained, single equivalent discount rates per scheme were determined for disclosure purposes.

**Rate of compensation increase.** The rate of compensation increase used for defined-benefit obligations represents a long-term assumption and includes components for inflation, productivity increases and merit and promotion adjustments.

**Future mortality assumptions.** Assumptions regarding future mortality are based on same mortality tables as are used by UNJSPF for their actuarial valuation.

**After-service health insurance participation and election assumption.** It is assumed that 95 per cent of future retirees who are expected to meet the eligibility requirements for after-service health insurance benefits will participate in the plan in retirement and that 80 per cent of future male retirees and 50 per cent of future female retirees will be married at the time of retirement and will elect to cover their spouse under the same medical arrangement that they have elected.

The single equivalent discount rates determined for each scheme are as follows:

(Percentage)

<i>Single equivalent discount rates</i>	<i>2023</i>	<i>2022</i>
After-service health insurance	5.03	5.37
Repatriation benefits	4.95	5.14
Death benefits	5.53	5.07

Other actuarial assumptions were as follows:

Health-care cost trend rates (varies by medical plan) (percentage)	2.35–3.95
Salary increase rate (varies by age and staff category) (percentage)	4.0–9.4
Per capita claim cost (varies by plan)	\$1 438–\$13 837

Assumptions regarding future mortality for 2023 are based on the detailed mortality, retirement and withdrawal rates assumptions used for the most recent United Nations Joint Staff Pension Fund scheme valuations, which, in prior years, had been based on published statistics and mortality tables. The change will ensure overall modelling consistency with the Fund scheme. The current rates of death underlying the values of the liabilities in the after-service health insurance and repatriation calculations are as follows:

<i>Rates of death – pre-retirement</i>	<i>At age 20</i>	<i>At age 65</i>
Male	0.00062	0.00495
Female	0.00034	0.00263
<i>Rates of death – post-retirement</i>	<i>At age 20</i>	<i>At age 70</i>
Male	0.00062	0.01113
Female	0.00035	0.00570
<i>Rate of retirement hired before 1 January 1990</i>	<i>At age 55</i>	<i>At age 65</i>
Male	0.13	0.50

Female	0.14	0.50
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### Sensitivity analysis

If the assumptions described above were to change, in accordance with the actuarial report, this would have an impact on the measurement of defined-benefit obligations and current service and interest costs as shown in the table below.

(Thousands of United States dollars)

	Change	After-service health insurance	Repatriation benefits	Death benefits
<b>Impact of change in assumptions</b>		79 582	23 096	422
Discount rate sensitivity to end-of-year liability				
Increase in discount rate	0.5%	(8 561)	(845)	(14)
As a percentage of end-of-year liability		(11%)	(4%)	(3%)
Decrease in discount rate	(0.5%)	9 975	907	15
As a percentage of end-of-year liability		13%	4%	4%
<b>Effect of change in assumed health-care cost trend rates</b>				
Effect on year-end accumulated post-employment benefit obligation				
Increase in health-care cost trend rate	0.5%	9 776	Not applicable	Not applicable
Decrease in health-care cost trend rate	(0.5%)	(8 475)	Not applicable	Not applicable
Effect on combined service and interest cost components on net				
Increase in health-care cost trend rate	0.5%	1 347	Not applicable	Not applicable
Decrease in health-care cost trend rate	(0.5%)	(1 134)	Not applicable	Not applicable

The best estimate of contributions expected by UN-Women to be paid for the next 12 months for after-service health insurance is \$0.5 million, and for repatriation benefits, \$1.0 million.

### United Nations Joint Staff Pension Fund

The UN-Women is a member organization participating in the United Nations Joint Staff Pension Fund (the “Fund”), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. The UN-Women and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify the UN-Women’s proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the UN-Women has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39: Employee benefits. The UN-Women’s contributions to the Fund

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during the financial period are recognized as expenses in the Statement of Financial Performance.

The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.

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

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

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

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2021, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years amounted to \$8,937.68 million, of which 0.72 per cent (2020: \$ 20.2 million, 2021: \$21.4 million and 2022: \$ 22.7 million 2022) was contributed by the UN-Women.

During 2023, contributions paid to the Fund amounted to USD 24.5 million (2022 USD \$22.7 million). The contributions are expected to remain constant in 2024.

Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund publishes quarterly reports on its investments, and these can be viewed by

visiting the Fund at [www.unjspf.org](http://www.unjspf.org).

## Note 15

### Other liabilities

(Thousands of United States dollars)

	31 December 2023	31 December 2022
<b>Current liabilities</b>		
Deferred revenue	61	485
Funds received in advance	9 422	2 886
Investment settlements payable	349	451
Other accruals	21 287	19 341
Other payables	4 103	324
<b>Subtotal</b>	<b>35 222</b>	<b>23 487</b>
<b>Non-current liabilities</b>		
Deferred revenue	-	334
<b>Subtotal</b>	<b>-</b>	<b>334</b>
<b>Total other liabilities</b>	<b>35 222</b>	<b>23 821</b>

Deferred revenue represents funds from donors that have been recognized on the statement of financial position and, depending on the nature of the agreement, are recognized as revenue when conditions (if any) are met.

Funds received in advance represent either contributions received prior to the receipt of signed donor agreements (which funds are recognized as revenue upon signature of the donor agreement, consistent with the policy for revenue from contributions), or funds received for joint programmes where UN-Women is the administrative agent (which funds will be disbursed to participating United Nations organizations upon signature of the minutes of their respective steering committees).

Investment settlements payable represent a foreign exchange trade, completed in January 2024 (2022: January 2023).

## Note 16

### Accumulated surplus or deficit

The movement in the accumulated surplus or deficit during the year is shown below. In 2022, the IPSAS reserves previously disclosed separately in the table below were rolled into the accumulated surplus.

(Thousands of United States dollars)

	31 December 2023	31 December 2022
<b>Accumulated surplus/(deficit) at the beginning of the year</b>	<b>1 165 925</b>	<b>996 390</b>
Impact on the adoption of IPSAS 41	(2 842)	-
<b>Subtotal</b>	<b>1 163 083</b>	<b>996 390</b>

Current-year surplus/(deficit)	79 501	130 815
Refunds to donors	(2 225)	(2 410)
Actuarial gain/(loss)	(5 693)	41 130
<b>Total accumulated surplus/(deficit) at the end of the year</b>	<b>1 234 666</b>	<b>1 165 925</b>

**(a) Refunds to donors**

Refunds to donors represents funds returned to donors in accordance with agreements after the completion of activities for projects and programmes.

**(b) Actuarial gains or losses**

Actuarial losses relating to after-service health insurance, repatriation and death benefit obligations in the amount of \$5.69 million are accounted for using the “reserve recognition” approach and are recognized through net assets in the statement of financial position and in the statement of changes in net assets in the year in which they occur (see note 14).

**Note 17**

**Reserves**

The movement in the reserves during the year is shown below.

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>Impact on adoption of IPSAS 41</i>	<i>31 December 2022</i>
Operational reserve	26 520	-	26 520
Field accommodation reserve	1 000	-	1 000
Changes in fair value of available-for-sale investments	-	2 842	(2 842)
<b>Total reserves</b>	<b>27 520</b>	<b>2 842</b>	<b>24 678</b>

**(a) Operational reserve**

In accordance with regulation 19.2 of the Entity’s financial regulations and rules and Executive Board decision 2012/8 of 30 November 2012, UN-Women maintains an operational reserve of \$26.52 million, the purpose of which is to guarantee the financial viability and integrity of the agency. No increase was made to the operational reserve in 2023. The reserve is fully funded and held in irrevocable and promptly available liquid assets that are included in the pool of investments of UN-Women. The elements to be compensated for and covered by it shall be limited to downward fluctuations or shortfalls in resources: uneven cash flows; increases in actual costs as compared with planning estimates or fluctuations in delivery; and other contingencies that result in a loss of resources for which UN-Women has made commitments for programming.

**(b) Field accommodation reserve**

A reserve for field office accommodation of \$1.0 million was established in accordance with Executive Board decision 2012/8. With the establishment of regional offices and the ongoing potential for increased participation in United Nations common premises, UN-Women may incur additional costs to finance its share. UN-Women can make drawdowns from the reserve, which will be replenished from the accumulated surplus on an annual basis.

**Note 18**  
**Voluntary contributions**

(Thousands of United States dollars)

	<i>31 December</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
Contributions	583 419	646 165
Contributions in kind	1 415	1 430
<b>Total voluntary contributions</b>	<b>584 834</b>	<b>647 595</b>

In-kind contributions representing rent provided by Governments and United Nations agencies amounted to \$1.42 million. In-kind services provided to UN-Women during the year include services are not recorded as income in these financial statements, in accordance with the accounting policies of UN-Women.

**Note 19**  
**Assessed contributions.**

(Thousands of United States dollars)

	<i>31 December</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
Assessed contributions	10 474	9 392
<b>Total assessed contributions</b>	<b>10 474</b>	<b>9 392</b>

Assessed contributions are issued as an annual allotment from the United Nations regular budget.

**Note 20**  
**Investment revenues**

(Thousands of United States dollars)

	<i>31 December</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
Interest revenue	16 284	8 069
Amortization on investments	4 335	(477)
Changes in FV of financial assets held as FVSD	75	671
Dividend income	493	499

<b>Total investment income</b>	<b>21 187</b>	<b>8 762</b>
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Amortization on investments relates to the net bond income balance from amortizing of premiums (debit) and discounts (credit). The premiums and discounts are part of the initial purchase price of bonds and, in observance of accrual accounting principle, are amortized to maturity or call. A debit balance resulted from amortization of the premiums on purchased bonds.

## **Note 21**

### **Other revenue**

(Thousands of United States dollars)

	<i>31 December</i> 2023	<i>31 December</i> 2022 <i>restated</i>
Miscellaneous revenue	2 209	1 928
Fees and support services	213	278
<b>Total other revenue</b>	<b>2 422</b>	<b>2 206</b>

Miscellaneous revenue represents reimbursement of rent from the United Nations Secretariat, reimbursement from other United Nations entities for provision of services and miscellaneous revenue.

## **Note 22**

### **Exchange transactions revenue**

(Thousands of United States dollars)

	<i>31 December</i> 2023	<i>31 December</i> 2022
Exchange transactions revenue	140	43
<b>Total exchange transactions revenue</b>	<b>140</b>	<b>43</b>

Revenue from exchange transactions represents the delivery of products, training and technical support for gender equality courses to other United Nations entities, Governments, civil society organizations and the general public.

## **Note 23**

### **Expenses**

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
<b>Employee benefits</b>		
Salary and wages	134 976	120 137
Pension benefits	24 510	22 687
Post-employment and termination benefits	12 459	16 268

Leave benefits	1 876	2 728
Other employee benefits	12 342	14 043
<b>Subtotal</b>	<b>186 163</b>	<b>175 863</b>
<b>Contractual services</b>		
Contract services with individuals	105 654	115 883
Contract services with companies	45 116	44 020
United Nations Volunteers costs	5 591	5 844
<b>Subtotal</b>	<b>156 361</b>	<b>165 747</b>
<b>Grants and other transfers</b>	<b>19 727</b>	<b>18 668</b>
<b>Supplies and maintenance</b>		
Maintenance and non-capitalized property	13 294	10 955
Maintenance and non-capitalized information technology and communications equipment	4 639	2 932
Maintenance and non-capitalized software and licenses	4 131	4 439
Consumables	1 860	1 871
<b>Subtotal</b>	<b>23 924</b>	<b>20 197</b>
<b>Operating costs</b>		
Communication costs	15 983	17 961
Learning, training and recruitment costs	44 607	51 538
Support services paid to United Nations agencies	11 601	6 728
Insurance/warranties	66	127
Rent, leases and utilities	28 115	20 631
Professional services	10 948	3 750
Freight costs	425	164
Other operating costs	1 021	12 261
<b>Subtotal</b>	<b>112 766</b>	<b>113 160</b>
<b>Travel costs</b>		
Tickets	12 663	11 405
Daily subsistence allowance	17 018	17 650
Other	9 712	3 683
<b>Subtotal</b>	<b>39 393</b>	<b>32 738</b>
<hr/>		
	<i>31 December 2023</i>	<i>31 December 2022</i>
<b>Depreciation and amortization</b>	3 089	3 035
<b>Finance costs</b>		
Bank charges	47	183
<b>Subtotal</b>	<b>47</b>	<b>183</b>
<b>Other expenses</b>		
Stationery and other project expenses	4 343	5 887
Losses on property, plant and equipment	15	176
Impairment and prior and current period write-offs	275	637



<b>Subtotal</b>	<b>4 633</b>	<b>6 700</b>
<b>Total expenses</b>	<b>546 103</b>	<b>536 291</b>

## Note 24

### Gains and losses

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Foreign exchange (losses)/gains	(419)	3 068
Unrealised gains/(losses) on held for trading assets	6 966	(3 960)
<b>Net gains/(losses)</b>	<b>6 547</b>	<b>(892)</b>

## Note 25

### Financial risks

The investment activities of UN-Women are carried out by UNDP under a service-level agreement. Under the terms of the agreement, UNDP applies its investment guidelines and governance framework for the benefit of UN-Women. Investments are registered in the name of UN-Women with marketable securities held by a custodian appointed by UNDP.

The principal objectives of the investment guidelines (listed in order of importance) are as follows:

- (a) Safety – preservation of capital, provided through investing in high quality fixed-income securities emphasizing the creditworthiness of the issuers;
- (b) Liquidity – flexibility to meet cash requirements through investments in highly marketable fixed-income securities and through structuring maturities to align with liquidity requirements;
- (c) Revenue – maximization of investment revenue within the foregoing safety and liquidity parameters.

The UNDP Investment Committee, comprising senior management, meets quarterly to review investment portfolio performance and ensure that investment decisions have complied with the established investment guidelines. UN-Women receive monthly and quarterly investment performance report from UNDP that shows the composition and performance of the investment portfolio.

In 2016, UN-Women outsourced a portion of the investment management of its after-service health insurance funds to ensure an adequate level of investment return, given the longer-term nature of the liabilities. Holdings may include cash and cash equivalents, equities and fixed-income securities. As at 31 December 2023, this portfolio was classified as Fair Value through Surplus or Deficit.

The external investment managers are governed by the after-service health insurance investment guidelines. The guidelines ensure that all of the investment activities reflect the best conditions of security, accountability and social responsibility while operating in full compliance with the highest standards of quality, efficiency, competence and integrity. These guidelines are reviewed and approved on a periodic basis by the after-service health insurance investment committee, of which UN-Women is a member. The investment committee meets regularly and receives monthly reports from the external investment managers.

UN-Women is susceptible to a variety of financial risks arising from financial instruments to which the organization is exposed, including the following:

- (a) Credit risk – the possibility that third parties may not pay amounts when due;
- (b) Liquidity risk – the possibility that UN-Women might not have adequate funds to meet its current obligations as they fall due;
- (c) Market risk – the possibility that UN-Women might incur significant financial losses owing to unfavourable movements in foreign currency exchange rates, interest rates and prices of investment securities.

The table below shows the value of financial assets and liabilities outstanding at year end based on the IPSAS classifications adopted by UN-Women.

(Thousands of United States dollars)

	<i>Amortized cost</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Cash and cash equivalents	210 303	-	210 303	122 040
Investments	562 684	61 152	623 836	638 397
Accounts receivable	528 606	-	528 606	485 571
<b>Total financial assets</b>	<b>1 301 593</b>	<b>61 152</b>	<b>1 362 745</b>	<b>1 246 008</b>

(Thousands of United States dollars)

	<i>Other financial liabilities</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Accounts payable	34 940	-	34 940	2 179
Other liabilities	35 222	-	35 222	23 821
<b>Total financial liabilities</b>	<b>70 162</b>	<b>-</b>	<b>70 162</b>	<b>26 000</b>

The following methods and assumptions were used to estimate the fair values

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely because of the short-term maturities of these instruments
- The fair value of quoted notes and bonds is based on price quotations as at the reporting date.

#### Ageing of receivables

(Thousands of United states dollars)

	<i>Current and Non- Current</i>	<i>Overdue</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Contributions receivables	528 606	-	528 606	485 571
<b>Total</b>	<b>528 606</b>	<b>-</b>	<b>528 606</b>	<b>485 571</b>

## Credit Risk

UN-Women is exposed to credit risk on its outstanding financial asset balances, primarily cash and cash equivalents, investments and receivables from contributions.

UN-Women operates bank accounts in five currencies and in four countries: Norway, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America. For other currencies, UN-Women uses the bank accounts of UNDP and relies on the risk management processes of UNDP. UN-Women is exposed to default risk of those financial institutions.

With regard to its financial instruments, the UNDP investment guidelines limit the amount of credit exposure to any one counterparty and include minimum credit quality requirements. The credit risk mitigation strategies stated in the investment guidelines include conservative minimum credit criteria of investment grade for all issuers with maturity and counterparty limits by credit rating. The investment guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible investments are limited to fixed income instruments of sovereigns, supranational organizations, governmental or federal agencies, and banks. Investment activities are carried out by UNDP and UN-Women offices are not authorized to perform investment activities.

Credit ratings from the three leading credit rating agencies, Moody's, S&P Global Ratings and Fitch, are used to evaluate the credit risk of financial instruments. As at 31 December 2023, the financial investments of UN-Women were in investment grade instruments, as shown in the table below (presented using the S&P Global Ratings rating convention).

## Credit ratings of investments under United Nations Development Programme management

(Thousands of United States dollars)

31 December 2023	AAA	AA+	AA	AA-	A+	A	A-	Total
Time Deposits	-	-	-	-	-	15 000	25 000	40 000
Money market instrument	9 849	-	-	-	-	-	-	9 849
Bonds and notes	264 505	85 257	52 961	63 966	25 368	20 778	-	512 835
<b>Total</b>	<b>274 354</b>	<b>85 257</b>	<b>52 961</b>	<b>63 966</b>	<b>25 368</b>	<b>35 778</b>	<b>25 000</b>	<b>562 684</b>

31 December 2022	AAA	AA+	AA	AA-	A+	A	A-	Total
Money market instruments	-	-	-	-	24 908	-	-	24 908
Bonds and notes	262 169	169 845	59 936	34 620	34 679	-	-	561 249
<b>Total</b>	<b>262 169</b>	<b>169 845</b>	<b>59 936</b>	<b>34 620</b>	<b>59 587</b>	<b>-</b>	<b>-</b>	<b>586 157</b>

## Credit ratings of investments under external investment managers

(Thousands of United States dollars)

31 December 2023	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	United States Treasury	Others	Total
Bonds and notes	878	412	246	197	157	404	548	313	269	2 633	18 447	24 504
<b>Total</b>	<b>878</b>	<b>412</b>	<b>246</b>	<b>197</b>	<b>157</b>	<b>404</b>	<b>548</b>	<b>313</b>	<b>269</b>	<b>2 633</b>	<b>18 447</b>	<b>24 504</b>

31 December 2022	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	United States Treasury	Others	Total
Bonds and notes	766	407	-	519	288	325	372	298	135	1 994	15 912	21 016
<b>Total</b>	<b>766</b>	<b>407</b>	<b>-</b>	<b>519</b>	<b>288</b>	<b>325</b>	<b>372</b>	<b>298</b>	<b>135</b>	<b>1 994</b>	<b>15 912</b>	<b>21 016</b>

Externally managed investments are governed by the after-service health insurance investment guidelines. Other rated bonds include government bond funds in the amount of \$18.4 million (2022: \$15.9 million).

### Liquidity risk

Liquidity risk is the risk that UN-Women will encounter difficulty in meeting its obligations associated with accounts payable, other liabilities and promised transfers of cash to programmes. UN-Women does not have significant liquidity risks, as its operations and investments are managed in accordance with its budget and with due consideration of cash requirements for operating purposes.

For other resources, the financial regulations and rules of UN-Women require that expenditure be incurred only after receipt of funds from the donor, thereby considerably reducing the financial risk to the organization with regard to contributions receivable.

Investments are made with due consideration to cash requirements for operating purposes based on cash flow forecasting. The investment approach considers the timing of future funding needs of the organization when selecting investment maturities. UN-Women maintains a portion of its cash and investments in cash and cash equivalents (25 per cent) and current investments (32 per cent) sufficient to cover its commitments as and when they fall due, shown in the tables below and in notes 6 and 7.

(Thousands of United States dollars)

	31 December 2023	Percentage	31 December 2022	Percentage
Cash balances	539	0.1	4 434	1.0
Cash equivalents	209 764	25.1	117 606	15.0
<b>Total cash and cash equivalents (net)</b>	<b>210 303</b>	<b>25.2</b>	<b>122 040</b>	<b>16.0</b>
<b>Investments</b>				
Current investments	266 933	32.0	230 278	30.0
Non-current investments	356 903	42.8	408 120	54.0
<b>Total current and non-current investments</b>	<b>623 836</b>	<b>74.8</b>	<b>638 398</b>	<b>84.0</b>
<b>Total investments cash and cash equivalents</b>	<b>834 139</b>	<b>100.0</b>	<b>760 438</b>	<b>100.0</b>

The following are the remaining contractual maturities of financial liabilities as at reporting date. The amounts are gross, undiscounted and exclude the impact of netting arrangements.

(Thousands of United States dollars)

	0-3 Months	3-6 months	Fair value through surplus or deficit	31 December	31 December
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				2023	2022
Accounts payable	34 940	-	-	34 940	2 179
Other liabilities	35 222	-	-	35 222	23 821
<b>Total financial liabilities</b>	<b>70 162</b>	<b>-</b>	<b>-</b>	<b>70 162</b>	<b>26 000</b>

### Market risk

Market risk is the risk that UN-Women is exposed to potential financial losses owing to unfavourable movements in market prices of financial instruments, including movements in interest rates, exchange rates and prices of securities.

### Interest rate risk

Interest rate risk arises from the effects of market interest rates fluctuations on the following:

- (a) Fair value of financial assets and liabilities;
- (b) Future cash flows.

A portion (9.80 per cent) of the Entity's investment portfolio is classified as Fair Value through Surplus or Deficit, which expose UN-Women to interest rate and market risk. However, a significant portion (90.20 per cent) of the investment portfolio is classified as amortised cost, which is not marked to market. Changes in interest rates do not have an impact on amortised carrying values, and therefore changes in interest rates will have no significant impact on net assets and surplus or deficit reported in the financial statements.

UN-Women invests in United States dollar-denominated floating rate debt, which exposes it to fluctuations of future cash flows. This exposes the organization to a decrease in future cash flows of interest income in a declining interest rate environment and an increase in future cash flows of interest income in an increasing interest rate environment. As at 31 December 2023, UN-Women had no outstanding floating rate fixed-income securities.

### Equity price risk

In 2023, UN-Women held equity investments in its externally managed portfolio of after-service health insurance funds. The sensitivity pertains to equity investments classified as held for trading, which are accounted for in fair value through surplus and deficit. See the table below for impact on UN-Women if the valuation was to change by 5 per cent.

(Thousands of United States dollars)

31 December 2023 market value	Sensitivity variation	Impact on the financial statements	
		Net assets	Surplus or deficit
36 646	5 per cent increase	1 832	-
36 646	5 per cent decrease	(1 832)	-

### Foreign exchange risk

UN-Women is exposed to currency risk arising from financial assets that are denominated in foreign currency and financial liabilities that have to be settled in foreign currency.

UN-Women receives donor contributions primarily in United States dollars, but also in a number of major currencies, including the pound sterling, the euro, the Swedish krona and the Norwegian krone.

As at 31 December 2023, all investments of UN-Women were denominated in United States dollars. However, cash and cash equivalent balances contained some non-United States dollar currencies, representing 0.65 per cent of total cash and cash equivalents as detailed in the table below.

(Thousands of United States dollars)

	<i>United States dollar</i>	<i>Euro</i>	<i>Pound sterling</i>	<i>Norwegian krone</i>	<i>Swedish krona</i>	<i>Others</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Cash and cash equivalents	208 932	974	345	10	42	-	210 303	122 040
<b>Total cash balances</b>	<b>208 932</b>	<b>974</b>	<b>345</b>	<b>10</b>	<b>42</b>	<b>-</b>	<b>210 303</b>	<b>122 040</b>

The UNDP Treasury uses derivative instruments, such as foreign exchange forwards, options and structured options, to manage the Entity's foreign exchange exposure. These derivatives are marked to market with gains or losses recognized in surplus and deficit in the statement of financial performance. As at 31 December 2023, UN-Women had no open derivative positions.

*Other price risk*

UN-Women is exposed to price risk arising from movement in the prices of financial instruments which might fluctuate owing to factors other than changes in interest rate or currency fluctuations. The conservative nature of the UNDP investment guidelines mitigates potential exposure to other price risk.

**Note 26**

**Budget reconciliation**

The statement of comparison of budget and actual amounts (statement V) is presented in the same format as the integrated budget for 2022–2023, with the additional inclusion of assessed contributions (regular budget activities). As the financial statements are prepared in accordance with IPSAS and the budget is prepared on a modified cash basis, the reported financial results (actual) are adjusted to provide for a comparison to the budget as presented in the statement of comparison of budget and actual amounts. The main changes between the IPSAS financial results and the results on a budget basis relate to difference in the treatment of cost of assets, staff-related accrued benefits and purchase orders and the treatment of cash advances to partners and staff members.

The integrated budget is prepared and presented on a biennial basis. The year 2023 represents approximately 50 per cent of the integrated budget estimates for the biennium 2022–2023.

**(a) Regular budget activities – assessed contributions 2023**

For the year 2023, there is a total variance showing over-expenditure of \$0.670 million owing to: (i) after-service health insurance reserve contributions, which UN-Women is required to make under its end-of-service liabilities funding plan, while the assessed budget only provides for a pay-as-you-go basis; and (ii) staff taxes and rent, which are reimbursable from the regular budget and treated as accounts receivable in 2023.

**(b) Development activities – voluntary contributions 2023**

**(i) Programme**

The original budgets reflected the original estimates used in the 2022–2023 integrated

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budget, which were based on total projected resources of \$1 billion in voluntary contributions for the biennial period. Total voluntary contributions originally budgeted for 2023 were \$418.10 million. There is variance of \$146.75 million between the original and final budgets arising from mainly due to higher than budgeted other resources contributions for the budgetary period of \$161.13 million and a decrease in regular resources of 14.38 million

Total programme variances are \$101.64 million, split between regular and other resources as follows:

(a) Programme expenditure from regular resources are \$4.31 million lower than the budget. Differences between budgeted and actual expenditure are mainly a result of post vacancies, average staff costs being lower than the pro forma costs and a decrease in other activities related to project-specific workplans. Regular programme resources are available for spending during the annual budget period only, and unspent balances revert to the account held by UN-Women, in accordance with financial regulation 18.3, and form part of the accumulated surplus of regular resources;

(b) Programme expenditure from other resources are \$97.33 million lower than the budget. The difference may be a result of the fact that projects funded from donor contributions are mostly multi-year, so the deliverables are subject to modification as required during the life cycle of the project, and unspent project resources are carried forward to the following year.

Overall, when comparing actual expenditures to the final budgets, the utilization rate is 83 per cent of final budget

**(ii) Institutional budget (development effectiveness, United Nations coordination, management activities and special purpose)**

The institutional budget component of the integrated budget comprises the following cost classification categories: development effectiveness; United Nations development coordination; management activities, independent oversight and assurance and special purpose. The variance between the final budget and expenditure of \$2.87 million is mainly a result of post vacancies, average staff costs being lower than the pro forma costs, and a decrease in other activities related to non-staff costs. The delivery rate and budget utilization rate for the institutional budget was 97 per cent. Any unspent balances at the end of the year revert to the account held by UN-Women, in accordance with financial regulation 18.3, and form part of the accumulated surplus of regular resources.

*Basis adjustments*

The budget is prepared on a modified cash basis and the financial statements are prepared on a full accrual basis in compliance with IPSAS requirements. In order to reconcile the budgetary result with the cash flow statement, the non-cash elements are removed as basis differences. The principal adjustments that have an impact on the reconciliation between the budget and the statement of financial performance are as follows:

- Property, plant and equipment acquisitions are capitalized and depreciated over their useful life under accrual accounting; however, in the budget the full cost is recorded as current-year expenses
- Under accrual accounting, employee benefit liabilities are reported in the statement of financial position, and movements in liabilities have an impact on the statement of financial performance; however, they are recorded as expenses when paid in the budget

- Cash advances to partners and staff members payments are recorded as receivables and when liquidated are recorded as expenditure under accrual accounting; however, in the budget they are recorded as expenses

#### *Timing differences*

Timing differences relate to open purchase orders, and are included as expenses as part of the budget in the current year; however, under accrual accounting, expenses are only accrued when goods and services are received.

#### *Presentation differences*

Presentation differences are those differences in the format and classification schemes used in the statement of cash flow and in the statement of comparison of budget and actual amounts. As such, the presentation differences in the reconciliation relate to revenue.

### **Reconciliation: budgetary result with net cash flow**

(Thousands of United States dollars)

	<i>Operating</i>	<i>Investing</i>	<i>Total</i>
Actual amount on comparable basis, as presented in the budget and actual comparative statement	(566 715)	-	(566 715)
Basis differences	(12 803)	37 113	24 310
Timing differences	11 611	-	11 611
Presentation differences	625 604	-	625 604
<b>Actual amount in statement of cash flow</b>	<b>57 697</b>	<b>37 113</b>	<b>94 810</b>

### **Note 27**

#### **Related party transactions**

#### **Governing bodies**

UN-Women is governed by an Executive Board on the basis of General Assembly resolution 64/289, in which it is stipulated in paragraph 57 (b) that the Assembly, the Economic and Social Council and the Executive Board of the Entity shall constitute the multi-tiered intergovernmental governance structure for the operational activities and shall provide operational policy guidance to the Entity. The Executive Board comprises 41 members (elected from five regional groups and one contributing group), who do not receive any remuneration from UN-Women.

The Executive Board of UN-Women also engages with the Executive Boards of other United Nations operational entities in an effort to harmonize approaches to operational activities. Those engagements also provide opportunities for sharing experiences and coordinating programme work on gender equality and gender mainstreaming throughout the United Nations system. The work of the Executive Board is guided by its rules of procedure.

#### **Key management personnel**

Key management personnel are the Executive Director, two Deputy Executive Directors and six Senior Directors, as they have the authority for planning, directing and controlling the activities of the Entity and executing the mandate of UN-Women. During the year two deputy Executive Directors departed from Service and one joined to replace the vacancy arising.



(Thousands of United States dollars)

	<i>Number of individuals</i>	<i>Compensation and post adjustment</i>	<i>Entitlements</i>	<i>Pension and health plans</i>	<i>Total remuneration 2023</i>	<i>Outstanding advances</i>
Key management personnel	10	1 877	45	783	2 705	70
Close family member	1	158	-	49	207	-
<b>Total</b>	<b>11</b>	<b>2 035</b>	<b>45</b>	<b>832</b>	<b>2 912</b>	<b>70</b>

Total remuneration paid to key management personnel and close family members (the spouses of key management personnel) includes net salaries; post adjustment; entitlements, such as allowances, grants and subsidies; and employer pension and health insurance contributions. Advances are those made against entitlements in accordance with the Staff Regulations and Rules of the United Nations. As at 31 December 2023, after-service health insurance, repatriation and death benefits for key management personnel included in employee benefits liabilities amounted to \$2.74 million (2022:\$1.80 million), as determined by actuarial valuation.

## Note 28

### Commitments and contingencies

#### (a) Open commitments

As at 31 December 2023, commitments of UN-Women for the acquisition of various goods and services contracted but not yet received amounted to \$58.8 million (2022: \$35.9 million).

#### (b) Lease commitments

As at 31 December 2023, UN-Women had future obligations for minimal lease payments as set out in the table below.

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Obligations for property leases		
Within 12 months	10 560	8 372
1–5 years	35 593	32 701
Beyond 5 years	18 597	25 559
<b>Total property lease obligations</b>	<b>62 050</b>	<b>66 632</b>

The typical contractual leases of UN-Women are between 1 and 10 years, but some of the leases permit early termination within 30, 60 or 90 days. Leases often include provisions that allow for multiple renewals and are at rates considerably lower than the existing market rates. The aggregate difference between the leases at contract rates and their respective market rates is recognized as contribution-in-kind revenue.

#### (c) Contingent assets

There were no contingent assets as at 31 December 2023 (2022 \$8.6 million).

**(d) Legal or contingent liabilities**

As at 31 December 2023, UN-Women was party to two legal cases which were subsequently adjudicated in favor of UN-Women, confirming no liability as at the year-end. Consequently, no provision for legal contingencies related to these cases was recognized in the financial statements for the period ending December 31, 2023.

**Note 29**

**Events after the reporting date**

No material events, favourable or unfavourable, occurred between the balance sheet date and the date on which the financial statements were authorized for issue that would have affected the present statements.

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