



**United Nations**

**Fund of the United Nations  
Environment Programme**

# **Financial report and audited financial statements**

**for the year ended 31 December 2024**

**and**

## **Report of the Board of Auditors**

**General Assembly**

**Official Records**

**Eightieth Session**

**Supplement No. 5G**



**Fund of the United Nations Environment Programme**

**Financial report and audited  
financial statements**

**for the year ended 31 December 2024**

**and**

**Report of the Board of Auditors**



United Nations • New York, 2025

*Note*

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.



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## Letters of transmittal

### **Letter dated 31 March 2025 from the Executive Director of the United Nations Environment Programme addressed to the Chair of the Board of Auditors**

In accordance with regulation 6.2 and rule 106.1 of the Financial Regulations and Rules of the United Nations, I have the honour to transmit the financial report and accounts of the United Nations Environment Programme, including associated trust funds and other related accounts, for the year ended 31 December 2024, which I hereby approve on the basis of the attestations of the Chief Finance Officer, the United Nations Office at Nairobi and the Chief, Financial Management Services, United Nations Environment Programme.

Copies of these financial statements are made available to both the Advisory Committee on Administrative and Budgetary Questions and the Board of Auditors.

(Signed) Inger **Andersen**  
Executive Director  
United Nations Environment Programme

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**Letter dated 23 July 2025 from the Chair of the Board of Auditors  
addressed to the President of the General Assembly**

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and the audited financial statements of the United Nations Environment Programme, for the year ended 31 December 2024.

A handwritten signature in blue ink, appearing to read 'Pierre Moscovici', is positioned above the printed name.

**Pierre Moscovici**  
First President of the French Cour des comptes  
Chair of the Board of Auditors

## Chapter I

### **Report of the Board of Auditors on the financial statements: audit opinion**

#### **Opinion**

We have audited the financial statements of the Fund of the United Nations Environment Programme (UNEP), which comprise the statement of financial position (statement I) as at 31 December 2024 and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UNEP as at 31 December 2024 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

#### **Basis for opinion**

We conducted our audit in accordance with the International Standards on Auditing and the International Standards of Supreme Audit Institutions. Our responsibilities under those standards are described in the section below entitled “Auditor’s responsibilities for the audit of the financial statements”. We are independent of UNEP, in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the financial statements and auditor’s report thereon**

The Executive Director of UNEP is responsible for the other information. The other information comprises the organization’s IPSAS sustainability plan and overview of the financial statements for the year ended 31 December 2024, contained in chapter IV below, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the financial statements**

The Executive Director of UNEP is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of UNEP to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless management intends either to liquidate UNEP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of UNEP.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of UNEP;
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- (d) Draw conclusions as to the appropriateness of management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of UNEP to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause UNEP to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of UNEP that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of UNEP.



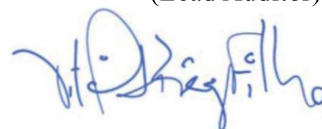
**Pierre Moscovici**

First President of the French Cour des comptes  
Chair of the Board of Auditors



**Hou Kai**

Auditor General of the People's Republic of China  
(Lead Auditor)



**Vital do Rego Filho**

President of the Brazilian Federal Court of Accounts

23 July 2025

## Chapter II

### Long-form report of the Board of Auditors

#### *Summary*

The Board of Auditors has audited the financial statements and reviewed the operations of the United Nations Environment Programme (UNEP) for the year ended 31 December 2024, in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto and with the International Standards on Auditing, as well as with the International Standards of Supreme Audit Institutions. The interim audit was conducted in Nairobi at UNEP headquarters, in New York at New York Office, in Bangkok at Regional Office for Asia and the Pacific, and in Geneva at Secretariat of Minamata Convention from 22 October to 22 November 2024. The final audit was conducted from April to May 2025 at UNEP headquarters in Nairobi.

#### **Audit opinion**

In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of UNEP as of 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

The Board also performed an annual audit of the six trust funds of the Global Environment Facility (GEF) and issued an unqualified opinion on their financial statements for the year ended 31 December 2024. The management issues of UNEP-GEF are also consolidated in the present report.

#### **Overall conclusion**

The Board did not identify significant errors, omissions or misstatements from the review of financial records of UNEP for the year ended 31 December 2024. However, the Board identified scope for improvement, especially in the management of finances and budgeting, programmes and projects, partnerships, procurement, and human resources.

#### **Key findings**

##### *Disposition of unspent balances in closed grants*

The Standard Operating Procedure requires that grants be financially closed only after all transactions are completed, final reports issued, and unspent balances either refunded or reprogrammed based on written donor instructions. As of 31 December 2024, UNEP had financially closed 781 grants with unspent balances totalling \$25.72 million, classified as reprogrammable, pending donor decision, or refundable. The Board reviewed 46 closed grants totalling \$6.09 million and noted that 19 grants, representing \$2.87 million, lacked supporting documentation for their assigned category. While UNEP explained that classifications were made for reporting purposes based on available information, obtaining timely donor confirmations and ensuring proper documentation would enhance the reliability of financial disclosures in alignment with applicable procedures.

##### *Insufficient Sustainability of Planetary Funds*



The Planetary Funds, launched in 2022 as a flexible, softly earmarked mechanism to support the UNEP 2022-2025 Medium-Term Strategy, aimed to mobilize \$90 million. By April 2025, only \$31.2 million had been raised, with annual contributions declining from \$13.3 million in 2022 to \$8.8 million in 2024. Of the total of \$31.2 million, \$21.6 million came from a single donor that reallocated funding from UNEP's technical cooperation trust fund as per the donor agreement, resulting in a limited net increase in the overall funding base. Furthermore, the 2022-2023 programme performance report lacked the early implementation insights and lessons learned of the fund as required by the Operations Manual.

*Inadequate utilization and insufficient documentation of the Umoja Integrated Planning, Monitoring and Reporting (IPMR)*

UNEP's Programme and Project Management Manual requires full use of the IPMR system for project management and reporting since June 2023. However, the Board identified three main shortcomings: (i) documentation gaps across project stages. Among 162 projects reviewed, 23 (14.2 per cent) lacked approval files, while 35 (21.6 per cent) lacked progress reports or final closure reports; (ii) insufficient monitoring. Of 409 projects established since 2022, 22 (5.38 per cent) lacked indicator progress data and 43 (10.51 per cent) had updates without supervisor approval. Among 491 legacy projects, 107 (21.79 per cent) lacked indicator reporting and 271 (55.19 per cent) had no supervisor approvals; (iii) data quality issues, including missing budget entries in 148 projects and incomplete project manager information in 100 ongoing projects. These gaps undermine the integrity of project monitoring, timely reporting, and managerial accountability in IPMR.

*Need for performance analysis of the Green Climate Fund readiness portfolio and the ongoing funded activity projects*

Since becoming an Accredited Entity of the Green Climate Fund (GCF) in 2015, UNEP has been responsible for the management, implementation, and oversight of GCF activities, primarily through readiness and funded activity projects. The Board noted that the performance of UNEP-GCF projects had lagged behind UNEP overall portfolio, with 62.5 per cent rated "red" as of the end of 2024. A review of 22 completed readiness projects revealed significant delays (55 per cent) with an average of 584 days, low budget utilization (50 per cent projects below 90 per cent). For eight ongoing funded activity projects, the Integrated Project Manager's Dashboard reported 352 activities, whereas annual performance reports listed only 97 activities, 61 of which delayed, revealing discrepancies in reporting completeness and timely project implementation. Although UNEP ceased new readiness engagements in 2024 due to structural challenges, 34 readiness and nine funded activity projects remain active, warranting enhanced performance analysis to improve delivery and accountability.

*Deficiencies in control over implementing partners selection*

UNEP Programme and Project Management Manual requires implementing partners to be selected through a comparative review of at least three candidates, with written justification if non-competitive methods are used. In the absence of a complete list of solicitation methods, the Board sampled 21 agreements (valued at \$27.46 million) and found that 19 were awarded non-competitively, with six lacking required justification, two without due diligence records and ten relying on generic rationales without evidence of market research or open solicitation to confirm the absence of alternative providers. Furthermore, UNEP signed three UN-to-UN agreements with UNOPS between 2022 and 2024, under which \$34.46 million in grants were awarded to UNEP pre-selected implementing partners. However, three partners were unregistered in the UNEP Partners Portal, and no supporting

documentation was available to confirm proper competitive selection or due diligence had been performed.

### **Main recommendations**

In the light of the findings mentioned above, the main recommendations of the Board are that UNEP:

#### *Disposition of unspent balances in closed grants*

(a) **undertake a comprehensive review on unspent balances of closed grants as of 31 December 2024 and follow up on their disposition in consultation with the relevant parties and/or donors, as appropriate and in accordance with the terms of the respective agreement/fund;**

#### *Insufficient Sustainability of Planetary Funds*

(b) **adjust funding strategy of Planetary Funds based on the evaluation of the past funding performance and ensuring alignment with the objectives of the Medium-Term Strategy 2026-2029;**

#### *Inadequate utilization and insufficient documentation of the Umoja IPMR*

(c) **update the necessary project data in IPMR and address the data gaps related to the approved budget, project indicator, and name of project manager to enhance project data quality;**

(d) **issue notes on semi-annual basis to encourage project managers to capture all information approved by Project Review Committee including the approved budget and indicators in IPMR, and to report against all indicators with supervisor approval recorded in the system, and to monitor progress across all ongoing Project Review Committee-approved projects in the IPMR;**

#### *Need for performance analysis of the Green Climate Fund readiness portfolio and the ongoing funded activity projects*

(e) **conduct a performance analysis of Green Climate Fund readiness projects and funded activity projects currently under implementation in alignment with its annual performance reporting cycle.**

#### *Deficiencies in control over implementing partners selection*

(f) **maintain sufficient documentation for the selection of pre-selected grantees, undertake a structured review of identified deficiencies in implementing partner selection process and enhance staff training, with particular focus on improving documentation, strengthening justification for non-competitive selections, and fostering compliance with established procedures.**

### **Follow-up of previous recommendations**

As of 31 December 2024, of the 40 outstanding recommendations up to the financial year ended 31 December 2023, 24 (60 per cent) had been implemented, 10 (25 per cent) were under implementation, six (15 per cent) had been overtaken by events.

**Key facts**

<b>\$3,784.50 million</b>	Total assets
<b>\$590.10 million</b>	Total liabilities
<b>\$3,194.40 million</b>	Net assets
<b>\$1,101.84 million</b>	Revenue
<b>\$832.08 million</b>	Expenses
<b>\$269.76 million</b>	Surplus
<b>\$119.96 million</b>	Original Environment Fund and regular budget
<b>\$129.96 million</b>	Final Environment Fund and regular budget
<b>1,383</b>	Staff members

**A. Mandate, scope and methodology**

1. The Board of Auditors has audited the financial statements of the Fund of the United Nations Environment Programme (UNEP) and reviewed its operations for the financial period ended 31 December 2024 in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations as well as the International Standards on Auditing and the International Standards of Supreme Audit Institutions for the financial audit of public sector entities. The Standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.
2. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the financial position of UNEP as at 31 December 2024 and its financial performance and cash flows for the financial period then ended, and that they have been properly prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The audit included an assessment as to whether the expenses recorded in the financial statements had been incurred for the purposes approved by the governing bodies, and whether revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. It also included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.
3. The Board also reviewed UNEP operations under regulation 7.5 of the Financial Regulations and Rules, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of UNEP operations.
4. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with UNEP management, whose views have been appropriately reflected in the report.

*United Nations Environment Programme: background*

5. UNEP is the designated authority of the United Nations system with respect to environmental issues at the global and regional levels. Its mandate is to coordinate the development of environmental policy consensus by keeping the global environment under review and bringing emerging issues to the attention of Governments and the international community for action. The mandate and objectives of UNEP emanate from General Assembly resolution 2997 (XXVII) of 15 December 1972 and subsequent amendments adopted at the United Nations Conference on Environment and Development in 1992, the Nairobi Declaration on the Role and Mandate of UNEP, adopted at the nineteenth session of the UNEP Governing Council, and the Malmö Ministerial Declaration of 31 May 2000. It was founded as a result of the United Nations Conference on the Human Environment held in June 1972 and has its headquarters in Nairobi.

6. UNEP is the leading global environmental authority that sets the global environmental agenda, promotes coherent implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment. UNEP works through its divisions, regional, liaison and out-posted offices, plus a growing network of collaborating centers of excellence. UNEP also hosts several secretariats of environmental conventions, and inter-agency coordinating bodies.

7. The United Nations Office at Nairobi provides administrative and financial services to UNEP, including procurement, human resources and information and communications technology (ICT). Many of the recommendations made by the Board to UNEP require joint action with the United Nations Office at Nairobi.

*Global Environment Facility*

8. UNEP is one of the implementing agencies of the Global Environment Facility (GEF), which funds projects in developing countries on biodiversity, climate change, international waters, land degradation, ozone layer depletion and persistent organic pollutants. GEF receives contributions from 40 donor countries. The adoption and evaluation of the programmes of GEF are the responsibility of its Council.

9. UNEP manages the funds allocated to it by GEF through six trust funds, which are subject to annual audits by the Board. For the financial year ended 31 December 2024, the trust funds collected total revenue of \$253.46 million and incurred total expenses of \$148.14 million. The Board also provides an annual audit opinion on these trust funds at the request of UNEP and the World Bank, which is the GEF Trustee.

*Multilateral environmental agreements*

10. At the request of the Conference of the Parties to the multilateral environmental agreements, UNEP provides secretariat functions to 15 agreements and discloses in its financial statements the transactions of the trust funds that it manages directly, in support of the activities of the agreements and conventions. The Board's audit of UNEP includes an examination of balances relating to its secretariat functions for multilateral environmental agreements.

**B. Findings and recommendations****1. Follow-up of previous years' recommendations**

11. There were 40 outstanding recommendations up to the financial year ended 31 December 2023, of which 24 (60 per cent) had been implemented, 10 (25 per cent) were under implementation, and six (15 per cent) had been overtaken by events. Details are provided in the annex to chapter II of the present report.

12. The Board carried out an analysis regarding the 10 recommendations that were under implementation and noted that three (30 per cent) were related to programme and project management; two (20 per cent) were related to financial and budget management; two (20 per cent) referred to Partnership management; two (20 per cent) referred to information and communications technology; and one (10 per cent) was related to strategy management.

13. With regard to the age of the recommendations, it was observed that five (50 per cent) had been made one year ago; three (30 per cent) were two years old; two (14 per cent) had remained open for three years.

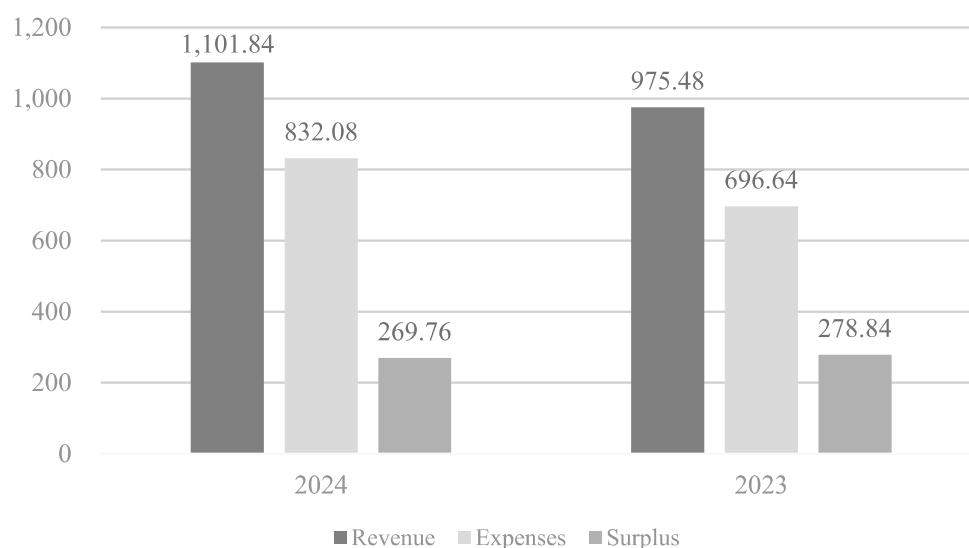
## 2. Financial overview

14. In 2024, UNEP reported total revenue of \$1,101.84 million (2023: \$975.48 million) and total expenses of \$832.08 million (2023: \$696.64 million), resulting in a surplus of \$269.76 million (2023: \$278.84 million). Total assets as at 31 December 2024 amounted to \$3,784.50 million (2023: \$3,485.44 million), comprising current assets of \$2,323.57 million (2023: \$2,317.42 million) and non-current assets of \$1,460.93 million (2023: \$1,168.02 million). Total liabilities amounted to \$590.10 million (2023: \$541.33 million), resulting in net assets of \$3,194.40 million (2023: \$2,944.11 million).

15. A comparison of revenue and expenses for the financial years 2024 and 2023 is illustrated in figure II.I.

Figure II.I  
**Financial performance pattern, 2024 and 2023**

(Millions of United States dollars)



Source: UNEP financial statements for 2024 and 2023.

### *Revenue analysis*

16. During 2024, UNEP received total contributions of \$643.50 million (2023: \$653.87 million), of which \$387.61 million (2023: \$411.48 million), equivalent to 60 per cent, represented voluntary contributions from various donors. In 2024, voluntary contributions decreased by \$23.88 million (5.8 per cent). The remaining \$255.89 million (2023: \$242.39 million), equivalent to 40 per cent, represented

assessed contributions from the Member States. The total revenue increased by \$126.36 million (13 per cent) in 2024, primarily driven by higher allocations from United Nations internal funds, which rose by \$110.95 million (49.3 per cent), and a \$26.86 million (34 per cent) increase in investment revenue which is attributed to relatively high rates of return. This growth was partially offset by a \$23.88 million decline in voluntary contributions.

#### *Expense analysis*

17. During 2024, grants and other transfers amounted to \$363.33 million (2023: \$306.74 million), which accounted for 44 per cent of the total expenses of \$832.08 million (2023: \$696.64 million). The reported amount of grants and transfers included outright grants and transfers to implementing agencies, partners and other entities, as well as quick-impact projects. The total expenses increased by \$135.44 million (19.4 per cent) in 2024, primarily due to the accelerated implementation of projects, which led to an increase of \$56.59 million (18.5 per cent) in grants and other transfers. It was further compounded by a rise in other operating expenses amounting to \$39.19 million (60.4 per cent), as well as an increase of \$38.34 million (13.7 per cent) in employee and non-employee compensation.

#### *Ratio analysis*

18. The table below contains key financial ratios for UNEP.

#### **Ratio analysis**

<i>Description of ratio</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Cash ratio<sup>a</sup></b>		
Cash plus investments: current liabilities	4.45	4.83
<b>Quick ratio<sup>b</sup></b>		
Cash plus investments plus accounts receivable: current liabilities	5.58	6.20
<b>Current ratio<sup>c</sup></b>		
Current assets: current liabilities	6.52	7.22
<b>Solvency ratio<sup>d</sup></b>		
Total assets: total liabilities	6.41	6.44

*Source:* UNEP 2024 financial statements.

<sup>a</sup> The cash ratio is an indicator of an entity's liquidity by measuring the amount of cash, cash equivalents or invested funds that are in current assets to cover current liabilities.

<sup>b</sup> The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to convert into cash; a higher ratio means a more liquid current position.

<sup>c</sup> A high ratio (defined as greater than 1:1) indicates an entity's ability to pay off its short-term liabilities.

<sup>d</sup> A high ratio is a good indicator of solvency.

19. The ratios above indicate a healthy financial position for UNEP as at 31 December 2024. UNEP maintains strong liquidity position, as indicated by current, quick and cash ratios. In addition, the solvency of UNEP remains strong, as measured by the ratio of total assets to total liabilities. The decline in the liquidity ratios reflected a moderate rise in liabilities relative to liquid assets, mainly due to higher commitments and disbursement timing variations in voluntary contributions. Despite this decline from 2023 levels, UNEP's liquidity and solvency remained sound, with minimal change in the solvency ratio confirming sustained long-term financial strength.

### 3. Financial and budget management

#### *Disposition of unspent balances in closed grants*

20. The Standard Operating Procedure (SOP) 114 on Financial Closure of Projects and Grants of the United Nations Office at Nairobi (UNON) stipulates that financial closure of a grant can only be completed once all technical and financial transactions for the donor agreement(s) are completed, a final financial report is issued to the donor and any unspent balance is refunded to the donor, or (if the donor approves) reprogrammed to another project or transferred to another grant.

21. SOP 114 further states that certifying officers are also responsible for ensuring that the donor decisions on how to utilize the unspent balance are received in writing and adhered to. Otherwise, the balances must be deposited to the donor's bank account upon confirmation of the donor bank details on the prescribed UN treasury form.

22. In accordance with the year-end closing procedures, UNEP categorized unspent balances from closed grants into three categories: reprogrammable, pending donor decision, and refundable. Only the balances classified as refundable are recognized as payables and accrued liabilities in the financial statements. UNEP informed the Board that at year-end, UNON undertakes a review of closed grant balances, and UNEP Funds Management Officers classify them appropriately in the IPSAS-compliant financial statements on a case-by-case basis.

23. As at 31 December 2024, 782 grants had been financially closed with a total unspent balance of \$25.75 million. Of these, 335 grants totaling \$12.70 million were categorized as reprogrammable. Donor decisions were still pending regarding potential reallocation or refund of funds for 301 grants amounting to \$7.71 million. The remaining 145 grants, with a total unspent balance of \$5.30 million, were designated for refund to donors.

24. To test the accuracy of grant classification, the Board sampled 32 closed grants with unspent balances totaling \$2.22 million. Of these, 17 grants were classified as reprogrammable, and the corresponding seven grants' agreements (totaling \$486,548) explicitly required the return of unspent balances to the donor or stipulated that disposition was pending donor consultation. Of the remaining 15 grants classified as pending donor decisions, five grants' agreements, with a total value of \$212,955, also explicitly required the return of unspent funds. These cases suggested that the current classifications of the grants unspent balances may not fully align with the terms set out in the respective grant agreements.

25. UNEP clarified that the high number of closed grants has resulted from UNEP's enhanced efforts to close old grants, issue final donor reports and ensure accountability for unspent balances. Even though the agreements stipulated a refund, the treatment of the remaining funds needed to take into account the terms of reference (ToRs) of the trust fund and may need further consultation with the donors. For the 32 sampled closed grants with unspent balances, donor consultations may still be ongoing, with related documentation not yet available.

26. To assess compliance with documentation requirements, the Board further reviewed another 46 closed grants with a total unspent balance of \$6.09 million that required written confirmation from donors for unspent balance disposition and noted that, for 19 of these grants, with a total balance of \$2.87 million, UNEP was unable to provide supporting documents for their classification.

27. UNEP clarified that none of the balances of the 46 grants were actually reprogrammed or refunded, and that the classifications were made solely for financial reporting purposes based on the best available information and historical relationships

with individual donors. Beyond the classification for financial reporting purposes, UNEP obtains donor confirmation before any decision on disposition of the balance is taken.

28. The Board is of the view that, while UNEP has made efforts to close old grants, further alignment with the provisions of SOP 114 would contribute to improved transparency and operational consistency. In particular, earlier engagement with donors and timely documentation of their decisions regarding the disposition of unspent balances, where feasible, would help strengthen the basis for financial classification, enhance the reliability of year-end reporting, and support adherence to applicable procedures and donor agreements.

**29. The Board recommends that UNEP undertake a comprehensive review on unspent balances of closed grants as of 31 December 2024 and follow up on their disposition in consultation with the relevant parties and/or donors, as appropriate, in accordance with the terms of the respective agreement/fund.**

30. UNEP accepted the recommendation.

*Weaknesses in allocating and refunding interest income*

31. Article 6.2 of the Guidelines for Acceptance of Voluntary Contributions issued by the Department of Management Strategy, Policy and Compliance requires that the contribution agreement shall include provisions for the treatment of interest. Interest can only be refunded upon the closure of the project.

32. The Board noted that from 2021 to 2024, UNEP financially closed 6,245 grants, while allocating interest income to merely 56 grants totaling \$2.17 million, mainly for reprogramming to activities. The remaining \$193.16 million interest accrued was allocated to mandatory grants for holding transactions at the fund level and to the fund level - in the non-grant trust funds, and no reimbursements to donors were made.

33. As per the general provisions of the Terms of Reference (TORs) of UNEP individual trust funds, “*Contributions received into the Trust Funds that are not immediately required to finance activities shall be invested at the discretion of the United Nations, and any income shall be credited to the Trust Funds*”. The Board was informed that both the TORs of the trust fund and the donor agreement or allocation letter serve as the primary reference for interpreting terms of the contributions.

34. The Board noted a legal inconsistency between the trust fund TORs and the provisions of donor agreements that require interest to be refunded. The Board conducted a substantive review of 12 closed grants relating to 10 trust funds, which had collectively received contributions totaling \$3.34 million. For three of these grants, involving a total contribution of \$2.36 million, the donor agreements explicitly stipulated that the interest income shall be refunded. Given the contradiction between donor agreements and trust fund TORs, UNEP credited the interest to the trust funds as per the TORs and did not refund or allocate interest to these grants.

35. UNEP explained that even when donor agreements contain provisions regarding interest income, it still needs to review the governance structures of the relevant trust funds and the specific terms of the financing arrangements, such as pooled funding mechanisms. Due to the absence of system controls that automatically ensure alignment between the TORs of trust funds and the provisions of corresponding donor agreements, some donor agreements may include provisions that were not fully consistent with the TORs. These discrepancies could result from oversight during the review or approval process. UNEP has taken steps to strengthen controls and reduce the risk of such occurrences.



36. UNEP informed the Board that it had undertaken a comprehensive analysis of all aforementioned 56 grants where interest income allocations occurred between 2021 and 2024. Two cases were identified as erroneous allocations made contrary to the TORs of the trust funds of which one whose grant has not been closed is currently under review for corrective action.

37. The Board is of the view that, in cases where there is a conflict between the agreement and the trust fund TORs, communication and formal confirmation with donors could be further enhanced. Additionally, it was noted that the relevant provisions of the trust fund TORs were not always explicitly reflected in the agreements at the time of signature. Enhanced classification, oversight and compliance mechanisms would support more effective resource management under trust funds.

38. The Board is concerned that, in the absence of clearly defined written procedures or documentation to address potential conflicts between trust fund TORs and donor agreements, a risk of misalignment with agreed contractual terms may arise if such obligations are not fully identified and operationalized at the time of grant closure.

**39. The Board recommends that UNEP issue guidance to clarify the treatment of interest income at grant closure, including the procedures to follow in cases where there is a potential conflict between the provisions of donor agreements and the Terms of Reference of the trust funds.**

40. UNEP accepted the recommendation.

*Insufficient consideration of prior targets achievements in Program of Work and Budget formulation*

41. The introduction of decision 5/4 on the provisional agenda, dates and venue of the sixth session of the United Nations Environment Assembly (UNEP/EA.6/13) states in Section 2 that “*The annexed document implements decision 5/4, in which the United Nations Environment Assembly extended the programme of work for the period 2022–2023 by two years, to the end of 2025, and called for prorating of the targets of the budget and programme of work.*” Section 4 also states that “*The process of prorating the targets in the programme of work included a review of the baseline for each indicator, the previously agreed targets for 2022 and 2023, the progress made in achieving the targets for the first two years, and the expectations for 2024–2025 based on achievements and the budget in 2022–2023*”.

42. The Regulations and Rules Governing Programme Planning and UNEP's management manual mandate that programme planning reflect prior achievements, adhere to Results-Based Management and Results-Based Budgeting principles (justifying resources via expected results and measuring performance through objective indicators), and establish monitoring-evaluation mechanisms for strategic decision-making.

43. The Board noted that the indicators set in the 2022-2025 Programme of Work were the same as the 2022-2023 Programme of Work. Among the 51 indicators under the Programme of Work, the target of 24 indicators had not been adjusted compared to those of 2022-2023. The Board further identified that among the 27 quantitative targets set for the prorated 2024-2025 Programme of Work and Budget, ten indicators for 2024 and four for 2025 had already been met by the end of 2023, as reported in UNEP Programme Performance Report 2022-2023. Through a comparison with the 2022 Programme Performance Report, that four indicators had already been fully achieved by the end of 2022.

44. For instance, under the Nature Action subprogramme, the cumulative target for “financial institutions that have a set of biodiversity targets for their impact” and “public- and private-sector entities that consider biodiversity and ecosystem services in their financial decision-making and risk management frameworks” was set at 80 for 2024 and 122 for 2025. However, the actual figure had already reached 236 by the end of 2022. This suggested that past achievements were not adequately factored into the Programme of Work, leading to targets that underestimated the pace of progress.

45. The Board is concerned that improper setting of targets would weaken the relevance, effectiveness, alignment in supporting results-based planning, budgeting, and performance monitoring.

**46. The Board recommends that UNEP review existing performance indicators and actual performance and formulate indicators for the next Programme of Work 2026–2027 in a relevant and aligned manner.**

47. UNEP accepted the recommendation.

#### *Insufficient Sustainability of Planetary Funds*

48. The Planetary Funds, initially launched as Thematic Funds in March 2022 during UNEP’s 50th anniversary celebrations, were established as a new financing mechanism to support the implementation of the Medium-Term Strategy 2022–2025 through more flexible, softly earmarked contributions. They were designed to complement UNEP’s Environment Fund and other tightly earmarked trust funds, and to shift the organization’s financing structure away from projects towards more strategic and holistic programme delivery addressing the triple planetary crisis. In 2023, UNEP formally rebranded the Thematic Funds as the Planetary Funds to reflect their collective strategic alignment.

49. The governance and operational frameworks for the Planetary Funds, outlined in an Operations Manual adopted in early 2024, emphasize the need to reduce reliance on tightly earmarked funds which historically comprised approximately 80 per cent of UNEP’s income, and promote pooled, flexible funding arrangements. According to a memo from the United Nations Controller dated 15 August 2022, UNEP was expected to mobilize approximately \$90 million over the Medium-Term Strategy 2022–2025 period for the Planetary Funds.

50. The Board noted that the total contributions received for the three Planetary Funds between 2022 and April 2025 amounted to \$31.2 million, significantly below the expected target of \$90 million, reflecting limited donor expansion and the reallocation of existing funds. From 2022 to 2024, the Planetary Funds contributions received amounted to \$13.3 million, \$9.1 million, and \$8.8 million respectively, indicating a decreasing trend. Moreover, only five Member States had contributed to the funds during the Medium-Term Strategy 2022–2025 period, and the donor base did not expand. The largest donor, while committing to multi-year contributions to the Planetary Funds since 2022, has discontinued providing funding for UNEP’s Technical Cooperation Trust Fund. This reflects a realignment rather than an expansion of UNEP’s overall resource base.

51. The Board also noted that while UNEP published the 2023-2024 Planetary Funds report in October 2024, the 2022–2023 program performance report lacked early implementation insights such as initial results and lessons learned as required by the Operations Manual. Furthermore, no evaluations of the Planetary Funds have been conducted since their launch, though the assessment of performance was required during each Medium-Term Strategy cycle. UNEP informed the Board that an evaluation is scheduled for the last quarter of 2025.

52. The Board is of the view that UNEP needs to seek more innovative resource mobilization initiatives, such as expanding partnerships with non-traditional donors, to enhance the effectiveness of the Planetary Funds as a mechanism for flexible, efficient, and strategic pooled funding. Systematically applying evaluation outcomes would strengthen the Funds' strategic positioning, operational effectiveness and donor attractiveness, ultimately contributing to donor base diversification.

**53. The Board recommends that UNEP adjust funding strategy of Planetary Funds based on the evaluation of the past funding performance and ensuring alignment with the objectives of the Medium-Term Strategy 2026-2029.**

54. UNEP accepted the recommendation.

*Inadequate maintenance of asset records and user accountability*

55. Section 4.4 of administrative instruction ST/AI/2015/4 on the management of property in the United Nations states that “all non-capitalized property and expendable property of the United Nations shall be subject to the recording and tracking procedures.” Guidance on assignment of property to an end-user further states that “the name of the organizational unit representing the group of United Nations personnel (office responsible) that uses the property should be identified and documented in the system of record.”

56. According to the Policy and Guidance on Physical Verification of Property, capitalized property and non-capitalized property which serialized for stewardship purposes shall be physically verified at least once per year. During the physical verification process, the existence of the property was checked while the details of the property, such as end-user details, manufacturer serial number, and the office responsible for shared property, were cross-checked for accuracy and confirmed against system records.

57. The Board analyzed the list of assets provided by UNEP and noted that, as of 30 September 2024, there were 4,744 items of IT equipment, machines, and vehicles, etc., with a total acquisition value of \$7,746,340.93. The Board identified the following deficiencies:

*(a) Incomplete equipment records*

58. 1,503 items of IT equipment, machines, and vehicles, valued at \$2,287,624.77, were noted without a record of serial numbers, and 386 items of property, valued at \$553,923.11, with no record of user assignment, which run the risk of obsolescence, overstock, duplicate purchase, etc.

*(b) Delays in updating user accountable*

59. Sixty-one items of communication and IT equipment, valued at \$77,875.69, had been assigned to 27 users who had separated from UNEP (due to resignation, retirement, etc.) before September 2024. Moreover, 309 computers and laptops were assigned to one asset focal point, and two other asset focal points each had more than 100 computers and laptops recorded under their custody.

60. UNEP explained that laptops used by United Nations Volunteers, interns, consultants, or individual contractors were assigned to their direct supervisors, and laptops that were under the write-off process, or kept in storage pending future assignment to end users would be assigned to Designated Equipment Focal Points. The above-mentioned three users were all asset focal points from different offices. 309 computers and laptops mentioned above were assigned to one asset focal point, and the other two users each with more than 100 computers and laptops mentioned above were in the same situation, of which one was the asset focal point in one office and another user was the Information and Communication Technology Service focal

point in the service provider UNON pending allocation to UNEP users. UNEP also explained that the update of serial numbers and the assignment of the property had not yet been completed, and the collection of information was still in progress as part of the 2024 physical verification exercise.

61. The Board is of the view that detailed information on properties should be regularly reviewed and updated to reflect accurate assignment and status information. Incomplete and inaccurate information of large amount of properties may compromise effective property management and increase the risk of asset misappropriation or underutilization.

**62. The Board recommends that UNEP reinforce the management of property by ensuring that the essential information of the properties is regularly updated to ensure the integrity and accuracy of property information.**

63. UNEP accepted the recommendation.

*Deficiencies in advance management to implementing partners*

64. The Financial Management and Oversight of UNEP Partnership Policy and Procedures, reaffirmed in its 2024 version, states that a key consideration for the effective management of implementation agreements is the level of operational advances paid to implementing partners. Apart from the initial installment, requests for subsequent advances must be accompanied by financial reports detailing expenditures by budget line. UNEP retains 10 per cent of the project value until it has received verified expenditure reports covering 90 per cent of total disbursements (audited reports for non-United Nations entities).

65. The Board noted that as of the end of 2024, there were 78 financially closed implementation agreements with outstanding advances balances totalling \$2.64 million. In addition, 21 implementation agreements with end dates in 2022 retained outstanding advance balances totalling \$761,021.64, of which eight had been outstanding for more than four years, totaling \$322,000.

66. The Board further noted that, during the 2023–2024 period, UNEP disbursed \$10.84 million in advance under 27 implementation agreements to non-governmental organizations, exceeding the 90 per cent of the total value of implementation agreement at \$11.04 million. This 98.2 per cent advance ratio violates the policy requirement to retain 10 per cent until verified expenditure reports are received.

67. From a sample of 14 agreements, the Board noted that four agreements, with disbursements amounting to \$830,404, were made without meeting contractual provisions, including one agreement based on a lump-sum payment modality, one agreement with a one per cent final payment retention clause, and two amended agreements lacking clearly defined deliverable-based payment terms.

68. UNEP explained that it reviewed all 78 agreements and updated their status and balances in Umoja, with \$530,232.15 remaining outstanding on 20 agreements as of 30 April 2025, while balances on closed agreements under resolution by UNON. UNEP also highlighted progress in strengthening advance management, including consistent advance utilization above 90 per cent, and an implementing partner compliance rate of 86 per cent in 2024, reflecting improved oversight and accountability.

69. While acknowledging the progress made by UNEP in strengthening advance management, the Board is concerned that prolonged outstanding advance balances may weaken UNEP's ability to ensure accountability for the use of funds under implementation agreements. Moreover, exceeding the recommended advance-to-

transfer ratio may limit UNEP's capacity to effectively mitigate risks of under-performance and to ensure delivery of agreed results.

**70. The Board recommends that UNEP establish a systematic monitoring mechanism within its implementation agreement management systems to identify and flag long-outstanding advances based on defined aging thresholds and assign corresponding risk ratings to inform future funding decisions and enhance oversight.**

71. UNEP accepted the recommendation.

*Delays in clearing commitments from expired purchase orders*

72. According to the instructions for year-end accounts closure and preparation of IPSAS financial statements for the year ending 31 December 2024, "*All outstanding purchase orders, funds commitments and pre-commitments, certified and approved travel requests should be reviewed by the responsible Certifying Officers for their validity and accuracy. Any commitments or balances on commitments no longer required should be closed promptly to allow for proper budget usage/monitoring*".

73. The Board noted that as of 31 December 2024, UNEP had total outstanding commitments of \$69.31 million related to purchase orders. The Board sampled purchase orders issued from 2019 to 2024 and identified that \$5.31 million in commitments remained tied to 727 expired purchase orders.

74. The Board is concerned that retaining commitments in expired purchase orders indicates weaknesses in procurement oversight, compromises effective budgetary control and negatively impact the fund utilization efficiency.

**75. The Board recommends that UNEP conduct annual reviews of purchase orders for goods and services to identify those that have exceeded latest delivery date indicated in the purchase order by at least one quarter.**

76. UNEP accepted the recommendation.

#### **4. Programme and project management**

*Inadequate utilization and insufficient documentation of the Umoja Integrated Planning, Monitoring and Reporting (IPMR)*

77. The UNEP Programme and Project Management Manual stated that the IPMR solution is a holistic end-to-end system designed to manage the full lifecycle of United Nations programmes and projects, linking resources to results and enabling evidence-based oversight. A joint memorandum issued by the Policy and Programme Division and the Corporate Services Division on 12 May 2023 stated that, as of 1 June 2023, UNEP had phased out the previous Project Implementation and Monitoring System (PIMS) and fully transitioned to the use of IPMR for all project management and reporting functions.

78. The Board conducted a review of the project data and documents recorded in IPMR and made the following main findings:

*(a) Incomplete documentation in IPMR across project life-cycle stages*

79. The UNEP Programme and Project Management Manual outlines the required documentation across key stages of the project cycle within IPMR. Specifically, it states that the Project Review Committee must assess the quality of proposals before formal approval of the Project Document and donor submission. The Project Preparation Proposal stage initiates implementation planning and reporting in IPMR. During implementation, project managers are required to record legal agreements, reporting formats, and quality standards in IPMR. At closure, final reports, evaluation

reports, and other outputs must be uploaded, transitioning from PIMS to IPMR as part of system migration to the Umoja Dashboard.

80. As per the requests of critical project cycle in the Programme and Project Management Manual, the Board took project approval documents as milestone file for the project review stage and approval; monitoring indicators, supporting evidence and progress report were treated as key files of stage of implementation, monitoring and reporting; and in the stage of operational and financial closure, the final report would be the key file.

81. As of November 2024, 162 projects in IPMR had actual start dates between 1 January 2023 and 15 November 2024. Of these, 148 projects were recorded as “approved”, while 14 were marked as “operationally closed”. Analysis of the IPMR records revealed documentation gaps: 23 ongoing projects (14 per cent) lacked uploaded project approval documents; 17 projects (10 per cent) had missing or delayed indicator reporting; 23 projects (14 per cent) lacked uploaded supporting documents for the data entered; 21 projects (13 per cent) lacked progress reports; and 14 operationally closed projects lacked final closure reports.

(b) *Inadequate monitoring and supervision of project indicators in IPMR*

82. UNEP Programme and Project Management Manual states that “*Project/Task Managers: report with supporting evidence on a six-monthly basis in the relevant reporting platform...on progress toward project Outputs and Outcomes and contribution to Programme of Work outcomes/direct outcomes*” and “*Supervisor: Approve the periodic reporting of the Project/Task Manager on IPMR. Clear the annual reporting and approve any other report documents*” and “*For the delivery of the MTS 2022-2025 and the PoW 2022-2023, all new projects will be created, and managed, using IPMR, and active projects in PIMS are being migrated to IPMR during 2023*”.

83. UNEP Programme and Project Management Manual also states that “*Internal Performance Reporting: UNEP project performance reporting is conducted through IPMR in Umoja every six months. Reporting deadlines are 30 June and 31 December of every year. At the output and outcome level, the following information is required...Indicator data: Cumulative interim progress toward achieving each indicator target*” and “*Operational Closure Report: The project manager further acquires the relevant approvals from the supervisor and head of branch and submit the reports in IPMR effectively changing the status of the project from ongoing to operationally closed.*”

84. The Board noted that, as of 31 March 2025, of the 409 projects established by UNEP between 2021 and 2024, 388 projects had defined performance indicators, while 22 projects (6 per cent) lacked progress data. Of the 360 projects with recorded and updated progress information, 43 projects (12 per cent) had not been reviewed or approved by project supervisors after the mandatory reporting deadline.

85. The Board further reviewed 491 legacy projects migrated from the PIMS to IPMR with established performance indicators and noted that 107 projects (22 per cent) did not include reports on the achievement of performance indicators. Among the 384 projects with updates, 271 projects (71 per cent) lacked approval of supervisors, including 149 projects (39 per cent) that were expected to be approved before the end of 2024. Notably, 112 of these were financially closed without any validation of the reported progress by project supervisors.

(c) *Shortcoming in the quality of data in IPMR*

86. UNEP Programme and Project Management Manual states that “*When monitoring in IPMR is launched, the Monitoring application in the Strategic Management*

*Application (SMA) module will be used to monitor and capture data on project performance. It will serve as a continuous assessment tool that aims at providing managers the ability to proactively track and measure the indicators and risks of their project plan to determine if the project is being implemented according to plan. Project Managers will use substantive and financial reports from their partners to enter monitoring and reporting data into SMA.”*

87. The Board noted that the Planning module managed 1,673 projects, while the Monitoring module managed 706 projects as of 18 November 2024. In addition, missing of key project data were identified: for 148 ongoing projects (21 per cent), the project budget field did not reflect the Project Review Committee-approved budget; for 72 ongoing projects (10 per cent), the indicator field value was recorded as zero; for 100 ongoing projects (14 per cent), the project manager field was missing

88. The Board is of the view that while IPMR is a critical tool for managing complex projects, insufficient data entry and irregular updates across project phases undermine its effectiveness. Data quality is essential for tracking implementation, measuring progress, and informing strategic decisions. Gaps in documentation compromise the reliability of quarterly business reviews and hinder performance evaluation. As monitoring is a continuous process, timely and accurate reporting in IPMR is crucial. Weaknesses in data recording and supervisory review increase the risk of implementation failures and jeopardize the achievement of UNEP’s strategic objectives.

**89. The Board recommends that UNEP update the necessary project data in IPMR and address the data gaps related to the approved budget, project indicator, and name of project manager to enhance project data quality.**

**90. The Board also recommends that UNEP issue notes on semi-annual basis to encourage project managers to capture all information approved by Project Review Committee including the approved budget and indicators in IPMR, and to report against all indicators with supervisor approval recorded in the system, and to monitor progress across all ongoing Project Review Committee-approved projects in the IPMR.**

91. UNEP accepted the recommendations.

*Need for performance analysis of the Green Climate Fund readiness portfolio and the ongoing funded activity projects*

92. The Accreditation Master Agreement signed between Green Climate Fund (GCF) and UNEP in July 2023, stipulates in Clause 8.01 that “*The Accredited Entity shall be responsible for the overall management implementation and supervision of each funded activity in line with its own internal rules policies and procedures including administering and managing the use of GCF Proceeds, as well as the monitoring, evaluation and reporting responsibilities as set forth in the relevant Funding Proposal and FAA.*”

93. The UNEP Programme and Project Management Manual states that progress toward results and resource consumption should be monitored using appropriate indicators and evidence sources, with information from monitoring used to improve project performance and to report on achieved results and resources based on evidence. Furthermore, it emphasizes that all project monitoring and reporting must occur within the Umoja IPMR, including GCF projects.

94. The Monitoring and Accountability Framework for Accredited entities issued by the GCF stipulates that “*the contents of annual performance reports should include a narrative report (with supporting data as needed) on implementation progress based on the logical framework submitted in the funding proposal and considerations on the*

*ongoing performance of the project/programme against the GCF investment framework criteria, including updates on the indicators.”*

95. UNEP became an Accredited Entity of the GCF in 2015. Its engagement with the Fund is largely through readiness projects and funded activity projects (full-size projects). To assess the performance of GCF projects, the Board reviewed a sample of 22 readiness projects marked as operationally or financially closed and noted the following deficiencies:

(a) 12 projects (55 per cent) were completed beyond their estimated end dates, with an average delay of 584 days and the longest delay reaching 1,272 days.

(b) 11 projects (50 per cent) had a budget utilization rate below 90 per cent, with the lowest recorded at 25.9 per cent.

(c) Completion reports for 17 projects showed that 77 of 280 planned activities (27.5 per cent) were either partially completed or lacked sufficient implementation evidence.

(d) Completion reports for 5 projects (22.7 per cent) were not submitted within six months of project closure, contrary to GCF agreement requirements.

96. The Board analyzed data from the Integrated Project Manager’s Dashboard and the annual performance reports of eight ongoing funded activity projects and noted the following discrepancies:

(a) As of May 2025, Integrated Project Manager's Dashboard, which consolidates data including project status details from multiple information systems, reported 352 activities relating to the eight projects. Of these, 32 activities (9.1 per cent) were pending updates, 229 (65.1 per cent) had updated statuses but remained unapproved, and only 91 (25.8 per cent) had been formally approved. These figures indicated delays in supervisory review and validation; and

(b) In contrast, the annual performance reports for the eight projects issued in 2024 listed only 94 activities with updated status. Among these, only two (2.1 per cent) were reported as complete, 30 (31.9 per cent) as on track, 61 (64.9 per cent) as delayed, and four (4.3 per cent) as not yet started. This reflected both incomplete reporting in annual performance reports and unsatisfactory projects progress. The discrepancies in the number of activities reported between the dashboard and the reports indicated incomplete or inconsistent status reporting in annual performance reports. Moreover, the high proportion of delayed activities revealed weaknesses in project implementation and raises concerns regarding the overall performance of ongoing GCF funded activity projects.

97. Additionally, the Board noted that GCF projects faced more significant performance challenges than UNEP’s overall portfolio. As reported in the UNEP Quarterly Business Review as at the end of 2024, 25 out of 40 GCF projects (62.5 per cent) were rated as "red", compared to 255 out of 724 projects (35.2 per cent) across UNEP’s broader portfolio.

98. UNEP informed the Board that, by decision of its Executive Director, it had discontinued its engagement with the GCF readiness portfolio in 2024 due to structural and operational limitations, which included insufficient management fees to support oversight, complex reporting cycles and the disproportionate administrative burden relative to the limited scale of activities. UNEP has shifted its strategic focus to funded activity projects, which provide more substantive content, integrated design, and sufficient management cost coverage for effective oversight.

99. Noting UNEP’s strategic shift, the Board observed that 34 readiness projects and nine funded activity projects remain under implementation. As these projects fall



under UNEP's fiduciary responsibility, appropriate oversight and reporting arrangements should have remained in place until their formal closure.

100. The Board is of the view that lessons should have been learned from the observed non-compliance to avoid recurrence, facilitate corrective measures, strengthen accountability and ensure programme delivery.

**101. The Board recommends that UNEP conduct a performance analysis of Green Climate Fund readiness projects and funded activity projects currently under implementation in alignment with its annual performance reporting cycle.**

102. UNEP accepted the recommendation.

*Revision or termination of project targets without authorization*

103. The UNEP Programme and Project Management Manual states that the overriding principle for all UNEP projects is to be completed and achieve targets within the planned timeframe and budget. It also states that the responsibility of Project Review Committee Secretariat includes "*Convenes the Project Review Committee to review substantive changes, if needed.*"

104. According to Programme and Project Management Manual, the Project Steering Committee provides overall guidance and strategic direction, with authority to approve substantive changes to project designs. Project Managers are tasked with monitoring project performance, continuously assessing the project's business justification, and adapting management to achieve intended results. The manual clarifies the types of revision requests and project revision workflows, requiring formal approval by division directors under UNEP's delegation of authority when a project revision is proposed.

105. The Board noted that, although UNEP Programme and Project Management Manual contains the regulations for the review and approval of substantive changes, the standards of "substantive" have not been clearly defined yet. The absence of clear criteria for determining the materiality of project modifications, such as indicator terminations or revisions, may result in inconsistent application of governance procedures and insufficient oversights.

106. The Board also noted that, as of 16 April 2025, a total of 27,857 indicators were recorded in IPMR, with 374 indicators (covering 69 projects) marked as terminated. A sample review of 242 terminated indicators relating to 19 projects (each with a termination ratio exceeding 10 per cent) revealed that none of the termination had been approved by the Project Steering Committee or verified by the Project Review Committee. During the audit period, UNEP provided termination reasons for 18 indicators as samples, citing factors such as insufficient funding, migration errors in PIMS, and impacts of the COVID-19 pandemic, etc. However, no supporting documents were provided to demonstrate that the termination of any of the 18 indicators was formally approved.

107. The Board is of the view that indicators are a critical component of project planning and implementation, as they are reviewed and approved by Project Review Committee. Each indicator represents a measurable step toward achieving the project's overall objectives. The termination or modification of approved indicators should be supported by clear approval procedure.

**108. The Board recommends that UNEP update the Programme and Project Management Manual and Integrated Project Management and Reporting step-by-step manual to clarify the definition and procedure for revising project indicators and targets during implementation to ensure that any target changes are formally approved for ongoing and future projects.**

109. UNEP accepted the recommendation.

*Projects targets not fully achieved due to design and oversight gaps*

110. The UNEP Programme and Project Management Manual adopts the United Nations' widely accepted definition of Results-Based Management, which is a management strategy focusing on achieving desired results, and it supports the realization of the United Nations Secretary General's Reform Agenda. In UNEP projects, results include outputs, outcomes, intermediate state results, and long-term impact, which are presented through a results chain showing causal relationships and hierarchical promotion. Project implementation, under the responsibility of managers, covers activity delivery, change response, and performance assessment. Financial resources, crucial for project delivery, should be properly managed throughout the project cycle.

111. Based on available data from Umoja, the Board noted that there were 590 projects operationally closed or financially closed, with a total budget of \$4.29 billion as of 25 April 2025. The Board sampled 33 projects, each with a budget of \$20 million or more and a total budget of \$2.05 billion, and identified 25 uncompleted indicators (including outcomes, outputs, or activities) across 11 projects.

112. An analysis of the documented reasons for non-completion revealed that 13 indicators were not achieved due to weaknesses in project design and development, including limited partner capacity, overlap with other UNEP initiatives, and inadequate feasibility studies. In addition, 12 indicators were not completed due to insufficient monitoring and reporting during project implementation, primarily resulting from the departure of the Project Manager without a timely replacement being assigned.

113. UNEP stated that it had recognized the need to enhance the quality of project implementation through strengthened mechanisms with strong management oversight, adaptive management, adequate monitoring and reporting during project implementation.

114. The Board is of the view that proper project design and development, monitoring and reporting during project implementation, in line with Programme and Project Management Manual, are essential to fully achieve project objectives and improve fund utilization efficiency.

**115. The Board recommends that UNEP conduct root cause analysis on the uncompleted indicators of all closed projects and develop targeted action plans to strengthen project design, monitoring and reporting skills in alignment with the Programme and Project Management Manual.**

116. UNEP accepted the recommendation.

## **5. Procurement management**

*Low roll-out rate of UNEP Supply Chain Planning and Management solution*

117. The United Nations Procurement Manual requires UNEP to formulate procurement plans prior to procurement activities. In 2023, the Office of Internal Oversight Services recommended UNEP to develop acquisition plans to enhance procurement efficiency and effectiveness. UNEP indicated that the development of acquisition plans would be implemented through the UNEP Supply Chain Planning and Management solution (ETIMA), a centralized repository for supply chain service requests within UNEP. This system empowers the UNEP Supply Chain Management Team to gather essential data for trend analysis.

118. The Board noted that as of April 2025, the ETIMA system recorded only 46 procurement requests (12 in 2023 and 34 in 2024), of which 27 requests (58.7 per cent) could not be linked to acquisition plans. The inconsistencies were due to two primary reasons: the relevant offices did not submit acquisition plans within the designated timeframe, and certain requests were ad-hoc requirements not covered by acquisition plans. Additionally, a significant discrepancy existed between procurement data in Umoja and ETIMA. In 2024, Umoja recorded 2,401 procurement orders valued at \$39.39 million for UNEP, while only 34 requests were logged in ETIMA. For 2025, Umoja recorded 608 procurement orders valued at \$10.1 million, whereas none was found in ETIMA.

119. UNEP explained that ETIMA planning module was launched in the last quarter of 2023 for 2024 planning, with 17 offices submitting 797 planning lines. For 2025, 15 entities submitted 907 lines totaling \$47.69 million, indicating strong adoption. While the planning module went live in 2023, the request module became operational only from 15 November 2024 with anticipated full compliance from January 2025.

120. The Board is of the view that despite UNEP's reporting of high volumes of planning lines in ETIMA, significant misalignment remains between procurement requests and acquisition plans. The gaps indicated limited integration between planning and procurement functions and do not demonstrate full implementation of the acquisition planning process required under the United Nations Procurement Manual.

121. The Board is concerned that, although the roll-out rates of the planning module were positive, the adoption rate of request module remains low as of April 2025, which may hinder the fulfillment of its intended purpose of streamlining supply chain processes from planning to delivery, and UNEP may continue to operate without a reliable mechanism to forecast and consolidate procurement needs, which could lead to ad-hoc, uncoordinated purchases, and diminished value for money. Long-term low utilization rates of the request module may also undermine accountability and adversely affect UNEP's efforts to strengthen its procurement management process.

**122. The Board recommends that UNEP conduct a comparative assessment of the efficacy of the current supply chain and other applicable procurement planning tools available within the United Nations Secretariat, and determine the measures needed to enhance oversight of acquisition planning and procurement activities.**

123. UNEP accepted the recommendation.

## 6. Partnership management

### *Deficiencies in control over implementing partners selection*

124. In the section on partnership determination and approval of the UNEP Programme and Project Management Manual, it is stated that the “*selection of implementing partners starts with a comparative review process that involves at least three candidate organizations. When comparison does not produce relevant results, a written justification should be provided in the file for the consideration of the Division Director or Regional Director and the Partnership Committee, together with the recommendation of the most suitable partner*”.

125. In the absence of a complete list of solicitation methods used for implementing partner selection, the Board sampled 21 implementing partnership agreements signed between 2023 and 2024, with total agreement value of \$27.46 million, of which 19 agreements (representing \$26.72 million) were awarded through a non-competitive process. The following deficiencies were identified:

(a) Two agreements (totaling \$3.36 million) involved partners for whom valid due diligence records were not available at the time of engagement as required by UNEP Partnership Policy and Procedures requiring. One of the two partners was also not registered in the UNEP Partner Portal.

(b) UNEP Partnership Policy and Procedures requires written justification for non-competitive selection of partners. For six of the sampled agreements (totaling \$4.16 million), such justification was not provided. Notably, two of these agreements represented first-time partnerships with UNEP, which posted higher inherent risks and would have particularly warranted competitive selection.

(c) For ten agreements, the rationale recorded in Umoja grantor module and UNEP Partners Portal for non-competitive selection included general statements such as “valid due diligence”, “leading entity”, “aligned with the project goals and objectives”, “possessing the necessary technical capacities”, etc. However, there was limited evidence of market research or a call for expressions of interest had been conducted that would support the assessment that no alternative providers were available.

126. In parallel, the Board noted that UNEP signed three UN-to-UN agreements with UNOPS between 2022 and 2024 to engage UNEP pre-selected entities for the implementation of certain UNEP projects. Under the terms of these agreements, it was explicitly recognized that grantee was pre-selected by UNEP, and that UNOPS was exempt from liability for the performance of the pre-selected grantee. By the end of 2024, a total of \$34.46 million in grants had been awarded through these agreements to nine implementing partners pre-selected by UNEP.

127. While UNEP Partnership Policy and Procedures require that all implementing partners be registered in the UNEP Partners Portal, three of the nine implementing partners were not registered at the time of review. Moreover, although UNEP indicated that three implementing partners had been competitively selected and had undergone due diligence, no supporting documentation could be provided to substantiate this process. This raised concerns that either the required procedures were not followed, or relevant records were not retained in accordance with policy.

128. UNEP stated that it was committed to full compliance with the 2024 Partnership Policy, which is expected to be fully operational by the last quarter of 2025. The new policy introduces stronger controls, including enhanced risk management measures and a greater role for the Partnership Committee in assessing partner capacity and risks. To support implementation, the Corporate Services Division conducted a mid-term review to identify gaps and improve oversight. A multi-track process has been launched to strengthen compliance with selection and documentation procedures for pre-selected grantees. In addition, the 2024 Framework Memorandum of Understanding with UNOPS reflects lessons from the 2014 version and includes clearer requirements for financial agreements, particularly those involving implementing partner services.

129. The Board is concerned that, without adequate review, UNEP may face potential risks such as insufficient assessment of partner capacity, suboptimal use of resources, and weakened project performance and institutional accountability. The lack of documentation and the absence of some pre-selected grantees from the UNEP Partners Portal create risks of non-compliance with partnership policies and may compromise core principles of integrity, objectivity, fairness, and transparency in partner selection.

**130. The Board recommends that UNEP maintain sufficient documentation for the selection of pre-selected grantees, undertake a structured review of identified deficiencies in implementing partner selection process and enhance staff training, with particular focus on improving documentation, strengthening justification**

**for non-competitive selections, and fostering compliance with established procedures.**

131. UNEP accepted the recommendation.

*Strengthen guidance on private sector engagement*

132. UNEP Strategy for Private Sector Engagement published in October 2019 states that “*The 2030 Agenda for Sustainable Development and the Sustainable Development Goals; the Paris Agreement building upon the United Nations Framework Convention on Climate Change; and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development; as well as relevant multilateral frameworks under environmental agreements on biodiversity, chemicals and waste and ozone-depleting substances, all recognize and call for a strengthened relationship with the private sector, including the adoption of more innovative approaches to promote private sector sustainability, transformation and the leveraging of private sector technical expertise and financial resources*”.

133. 2022 Annual Report to the Committee of Permanent Representatives on Private Sector Engagement states that “*UNEP recognizes the importance of monitoring and evaluation to assess the impacts of its private sector partnerships and has launched a new monitoring and reporting mechanism to track the results of partnerships on a quarterly basis*”.

134. As per Guidelines for the use of UNEP’s Standard Legal Instruments, “*a Memorandum of Understanding is to be seen as a framework of commitments in which the parties confirm that they share a common understanding and endeavour... Where a Memorandum of Understanding has been signed, relevant implementation agreements are still required to detail financial and programmatic/administrative arrangements, if resources are to be transferred between the parties*”.

135. Based on the analysis of data collected from UNEP Partners Portal, the Board noted that a total of 60 private sector entities had been approved for partnership with UNEP since 2020, of which 32 entities (53.33 per cent) had not entered into any legal instruments with UNEP as of the end of 2024. In parallel, UNEP had signed 55 legal instruments with 50 private sector entities since 2020, including entities that had been approved both before and after 2020. Among these 50 entities, 35 (70 per cent) had entered into only a single Memorandum of Understanding.

136. The Board further reviewed 15 of the 35 Memorandum of Understandings mentioned above and noted that each Memorandum of Understanding had included the article stating that “*The Parties will develop a plan under the present Memorandum of Understanding, including specific activities, projects and programmes, whose definition and implementation shall be subject to detailed separate agreements*”.

137. Additionally, the Board noted that the “Partnership Results and Impacts” section of the UNEP Partners Portal, established as a monitoring and reporting mechanism for partnerships, was not effectively utilized. Of the 15 partnerships reviewed, 11 had no progress updates in the section, and the remaining four recorded only one update each. None of the partnerships met the requirement for quarterly reporting as stipulated by the mechanism.

138. UNEP explained that the approach for the monitoring and reporting of private sector partnerships would be further revamped under the context of the 2024 Partnership Policy, including any required changes to UNEP’s systems to enable the revised approach.

139. The Board is of the view that while the efforts to revise the monitoring and reporting framework under the 2024 Partnership Policy represent a positive step, the

effectiveness of UNEP's engagement with the private sector would benefit from more consistent operationalization of commitments. Systematic and timely performance tracking are essential to realizing the intended impact of such partnerships.

**140. The Board recommends that UNEP put in place guidance for partner leads to ensure that partnerships with private sector entities contribute to objectives and results as outlined in the 2030 Agenda for Sustainable Development and the Sustainable Development Goals.**

141. UNEP accepted the recommendation.

## **7. Human resource management**

*Not fully reporting the positions at D level*

142. In section III of the Report of the Fifth Committee on the proposed programme budget for 2023 (A/77/672), the Fifth Committee stresses that all extra-budgetary posts must be administered and managed with the same rigor as regular budget posts.

143. The Board reviewed the organizational structure and post distribution in the proposed programme budget for 2024 (A/78/6) and noted that 45 D-1 positions, including 11 funded by regular budget and 34 by extra-budget, and six D-2 positions funded by regular budget and extra budget, were reported.

144. The Board compared the 2024 proposed programme budget (A/78/6) with actual positions as of September 2024 and noted that four D-1 level positions and three D-2 level positions, all funded from extra-budgetary resources, were not reflected in the proposed budget.

145. UNEP explained that among the three D-2 positions, the one with Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services was related to a Multilateral Environmental Agreement and should not be counted. UNEP also explained that the D-1 and above positions presented in Annex I of the proposed programme budget were positions approved in UNEP's Programme of Work 2024-2025, which was an extension of the Programme of Work 2022-2023 as per the United Nations Environment Assembly Resolution 5/4 of 2 March 2022 amidst the COVID-19 context, and did not reflect the changes thereafter. Specifically, there were a D-2 Director position and a D-1 position for the new Climate Change Division that were created on 1 February 2024, and a D-2 position and a D-1 position for the Plastic Pollution Intergovernmental Negotiating Committee (INC) Secretariat that were established through the United Nations Environment Assembly Resolution 5/14 on 7 March 2022.

146. The Board is of the view that the newly established D-2 position for the new Division may not have been foreseen in the budget proposal for 2024. However, the INC Secretariat was established in 2022, and the D-1 and the D-2 positions should have been included in Annex I of proposed programme budget for 2024 during its preparation in early 2023 for review by legislative bodies.

**147. The Board recommends that UNEP ensure all positions at D-1 and above level funded by regular budget and extrabudgetary resources, as reasonably projected at the time of preparing the proposed programme budget, are fully reflected in the proposed programme budget.**

148. UNEP accepted the recommendation.

*Not fully adopted with United Nations Budget Guide in Multilateral Environmental Agreements posts proposal*

149. United Nations Environment Assembly resolution 2/18 stipulates that UNEP hosts the secretariats of 15 Multilateral Environmental Agreements (MEAs), and that

when the governing bodies of these MEAs request UNEP to provide secretariat services, they accept that the secretariats shall be subject to the United Nations administrative and financial regulations and rules applicable to UNEP, as supplemented by the MEAs' own financial procedures.

150. It is stated in the United Nations Budget Guide on the proposed programme budget for 2023 and 2024 that "*A complete organigramme includes the following: Number of established and/or temporary posts (excluding GTA) by grade and source of funding (regular budget, other assessed, and voluntary contributions) for each of the boxes (organizational units).*" The Fifth Committee, in section III of its report on proposed programme budget for 2023 (A/77/672), stressed that all extrabudgetary posts must be administered and managed with the same rigour as regular budget posts.

151. UNEP Corporate Services Division issued a memo in 2018 to clarify that UNEP's role in preparing, implementing and monitoring the budget of MEAs was to provide technical review of administrative support and budget-related documents for the MEA secretariats before presentation to the Conference of the Parties to ensure that they comply with applicable United Nations Financial Regulations and Rules and related guidelines.

152. The Board reviewed 15 MEAs' respective budget proposal for their Programme of Work for the year 2024 and noted that seven MEAs had not complied with the United Nations Budget Guide to present the number of established and/or temporary posts by grade and funding source to inform the review and decision by legislative bodies. As to the remaining eight MEAs, by comparing the budget proposal and positions list as of 30 September 2024, the Board noted that 48 posts of four MEAs were not fully presented in their respective 2024 budget proposals.

153. UNEP explained that although the Fifth Committee stressed that extra budget posts must be administered and managed in the same rigor as regular budget posts, this requirement does not mean the presentation of extra budget posts in their budget shall be the same as regular budget.

**154. The Board recommends that UNEP provide guidance to UNEP-administered MEAs' secretariats to comply with the United Nations Budget Guide to present the number of posts, including established and temporary posts by grade and source of funding, in their respective budgets.**

155. UNEP accepted the recommendation.

## **C. Transmissions of information by management**

### **1. Write-off of cash, receivables and property**

156. In accordance with Rule 106.7 in United Nations Financial Regulations and Rules, UNEP reported that in 2024, there were write-offs in accounts receivable amounting to \$1672.02 and write-offs in Property amounting to \$62065.96, and no write-offs in cash assets.

### **2. Ex gratia payments**

157. UNEP reported no ex gratia payments in 2024.

### **3. Cases of fraud and presumptive fraud**

158. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities (including those resulting from

fraud). The audit, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

159. During the audit, the Board made enquiries of management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks of fraud that management has identified or that have been brought to its attention.

160. The Board also enquired whether management had knowledge of any actual, suspected or alleged fraud. In 2024, UNEP reported 21 cases of fraud and presumptive fraud, seven of which were under investigation and 14 of which were closed. The estimated total financial loss for 2024 is \$30,600 and KES 241,000, and the amount recovered during 2024 is KES 979,000.

## **D. Acknowledgement**

161. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Executive Director and staff members of the United Nations Environment Programme.



**Pierre Moscovici**

First President of the French Cour des comptes  
Chair of the Board of Auditors



**Hou Kai**

Auditor General of the People's Republic of China  
(Lead Auditor)



**Vital do Rego Filho**

President of the Brazilian Federal Court of Accounts

23 July 2025



## Annex

### Status of implementation of recommendations up to the financial year ended 31 December 2023

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not undertaken by events
1. 2018	A/75/5/Add.7, chap. II, para. 79	The Board recommends that UNEP carry out a review and consolidation of all current UNEP-GEF projects, with the necessary information to ensure adequate accountability and programme management.	Management has committed to the Board its intention to fully implement Integrated Project Management and Reporting (IPMR) as a central tool for results management, dedicating substantial resources to integrate the GEF portfolio into the system.	As the ongoing GEF projects are managed in the integrated planning, management and reporting solution, this recommendation is considered to be implemented.	X		
2. 2019	A/75/5/Add.7, chap. II, para. 98	The Board recommends that UNEP coordinate with the Regional Office for Latin America and the Caribbean and the Regional Office for Africa, the UNEP partnership policy was approved on 29 June 2024 and entered into force on 29 September 2024. The procedures include clear guidance on monitoring partners aiming to improve the efficiency of the project implementation process.	After rigorous consultations across the house, including with the Regional Office for Latin America and the Caribbean and the Regional Office for Africa, the UNEP partnership policy was approved on 29 June 2024 and entered into force on 29 September 2024. The procedures include clear guidance on monitoring partners aiming to improve the efficiency of the project implementation process.	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X		
3. 2019	A/75/5/Add.7, chap. II, para. 170	The Board recommends that UNEP establish the proper liaison between its headquarters and the Executive Secretary of the Convention on Biological Diversity and its Protocols in order to agree on the procedures and responsibilities that each entity shall assume with regard to the provision of secretariat services to the Conference of the Parties to the Convention on Biological Diversity.	An internal review was conducted, involving consultations within UNEP, UNEA, and the Convention on Biological Diversity (CBD) Secretariat, which included careful review of the existing policies, administrative arrangements and the delegation of authority framework, and UNEA resolutions. Following this, affected entities concluded that the 2018 Corporate Services Division Memo and 2010 Administrative Arrangements already clearly define service provisions. As to non-administrative functions, substantive and programmatic support are	Considering the results of the internal review involving consultations within UNEP, UNEA, and the Convention on Biological Diversity (CBD) Secretariat and that the existing mechanisms are robust and no risk areas or elements of non-compliance have been identified, this recommendation is considered to be overtaken by events.			X

<i>Audit report</i> <i>No. year</i>	<i>Report reference</i>	<i>Board's recommendation</i>	<i>UNEP response</i>	<i>Board's assessment</i>	<i>Status after verification</i>		
					<i>Implemented</i>	<i>Under implementation</i>	<i>Not Overtaken by events</i>
		including the aspects related to non-administrative functions.	<p>provided systematically in response to decisions of the governing bodies of CBD and its protocols that call for action by UNEP. Information on substantive and programmatic activities conducted by UNEP are documented in the reports of UNEP on its activities to support the implementation of the Convention on Biological Diversity and its Protocols presented to the CBD governing bodies.</p> <p>The review related to administrative services included the development of the 2018 CSD Memo, which outlines the services provided by UNEP and other service providers to the secretariats of MEAs. The memo complements the revised Administrative Arrangements signed in 2010 between UNEP and the CBD Executive Secretary, which became effective upon endorsement by the CBD COP at COP10.</p> <p>The UNEP Delegation of Authority Policy and Framework for MEAs also clearly outlines responsibilities and ensures accountability of the CBD Executive Secretary regarding the management and administration of the CBD Secretariat. It explicitly respects:</p> <ul style="list-style-type: none"> <li>a. the legal autonomy of the MEAs; b. ensures both managerial autonomy and efficiency of the MEAs Secretariats, and</li> <li>c. accountability of Executive Heads of MEA Secretariats to their respective bodies –</li> </ul> <ul style="list-style-type: none"> <li>– Conference/Meeting of the Parties –</li> <li>for programme delivery and policy related outputs/outcomes as well as for resources management, and to the</li> </ul>				

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
			<p>Executive Director of UNEP for managing resources, including trust funds, in accordance with UN and UNEP regulations, rules, related-administrative issuances and, where applicable, policies.</p> <p>To further ensure efficient and effective service delivery between UNEP and MEA Secretariats, in 2018, the UNEP Executive Director established a dedicated unit within the Corporate Services Division.</p> <p>This unit, in close consultation with CSD functional units and in accordance with the 2018 CSD Memo, supports policy interpretation, human resources, budget and finance administration, corporate legal advice, supply chain management, audit coordination, risk management, ICT.</p> <p>Given the smooth operation of the CBD Secretariat, the clear understanding between the CBD Secretariat and UNEP, and of the COP, regarding procedures, roles and responsibilities, UNEP and the CBD Secretariat jointly confirm that no further instrument is required.</p> <p>The existing mechanisms are robust, and no risk areas or elements of non-compliance have been identified by the CBD Secretariat, or UNEP. Therefore, the recommendation is considered overtaken by events.</p>				
4.	2019 A/75/5/Add.7, chap. II, para. 171	The Board recommends that UNEP liaise with the Executive Secretary of the Convention on Biological Diversity to propose to the Conferences of Parties to the Convention on	<p>An internal review was conducted, involving wide consultation. In light of such review, it was decided that there is no need to establish a regulatory framework that further supplements existing mechanisms (see UNEP response at No.3 above),</p>	Considering the results of the internal review involving consultations within UNEP, UNEA, and the Convention on Biological Diversity (CBD) Secretariat and that the existing mechanisms are robust			X

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
		Biological Diversity and its Protocols the adoption of a memorandum of understanding. If agreed, this instrument shall include the arrangements for the provision of secretariat functions by UNEP, aiming to establish a regulatory framework that sets out clear responsibilities, transparency, guidance and accountability among the Parties and Member States.	in the form of a memorandum of understanding (MOU). Since neither UNEP nor SCBD has identified any risk areas or elements of non-compliance, UNEP is of the opinion that the recommendation is overtaken by events.	and no risk areas or elements of non-compliance have been identified, this recommendation is considered to be overtaken by events.			
5.	2020 <a href="#">A/76/5/Add.7</a> , chap. II, para. 168	The Board recommends that UNEP accelerate the clean-up of legacy matters and complete the closure procedures for delayed projects as soon as possible.	UNEP requests the closure of this recommendation, which has been overtaken by events following the decommissioning of the Performance Information Management System (PIMS). UNEP's project information system has been the IPMR since 1 July 2023.	UNEP's project information system has been the Integrated Planning, Monitoring and Reporting module since 1 July 2023. The project status in the PIMS had not be applicable. Therefore, this recommendation is considered to be overtaken by events.			X
6.	2021 <a href="#">A/77/5/Add.7</a> , chap. II, para. 28	The Board recommends that UNEP develop corporate guidance in its monitoring policy on when and how to collect relevant data to establish baselines for programme of work indicators.	The draft Monitoring and Reporting Policy includes a specific reference to baselines. Additional guidance is also provided in the draft Monitoring and Reporting Framework. In the absence of further feedback from the auditors, both documents will be finalized accordingly.	UNEP has drafted relevant documents and in the process of finalization, this recommendation is considered to be under implementation.		X	
7.	2021 <a href="#">A/77/5/Add.7</a> , chap. II, para. 59	The Board recommends that the secretariat of the Convention on Biological Diversity make efforts to mobilize voluntary contributions to improve the level of adequate, predictable, effective and efficient programme	The Secretariat of the Convention of Biological Diversity (SCBD) was successful in mobilizing voluntary contributions for the Open-Ended Working Group meetings on the post-2020 global biodiversity framework (GBF) respectively and other related meetings and workshops. The Secretariat continues to monitor the spending in the Overhead Trust	The Secretariat continues to monitor the spending in the Overhead Trust Account (OTA) closely and pursues its efforts to remain within the approved allocation. Therefore, the recommendation is considered to be implemented.	X		

Audit report No. year	Report reference	Board's recommendation	UNEP response	Status after verification		
				Board's assessment	Implemented	Not Overtaken by events
8.	2021 A/77/5/Add.7, chap. II, para.65	support cost funding for its administrative activities.	Account (OTA) closely and pursues its efforts to remain within the approved allocation. Which significantly reduced the OTA overrun during the 2022-2023 biennium from \$0.65 million in 2020-2021 to \$0.010 million in 2022-2023.	The outstanding items had been addressed. Therefore, this recommendation is considered to be implemented.	X	
9.	2021 A/77/5/Add.7, chap. II, para. 78	The Board recommends that the secretariat of the Convention on Biological Diversity actively communicate with donors in a timely manner and expedite the process of clearing up the outstanding balances of closed grants.	UNEP has thoroughly reviewed each outstanding advance and actively coordinated with relevant personnel in the relevant offices and divisions. This has ensured that implementing partners reported their expenses against the advances. As of 9 October 2024, advance balances for 61 implementing partners, as identified by the auditors in the referenced document numbers, have been fully cleared.	Given that the Secretariat will continue in this process with the full implementation expected in the second quarter of 2025, this recommendation is considered to be under implementation.	X	
10.	2021 A/77/5/Add.7, chap. II, para. 94	The Board recommends that UNEP ensure that the prescribed comparative analysis be properly conducted in conformity with UNEP policy.	The UNEP Partnership Policy was approved on 29 June 2024 and entered into force on 29 September 2024. The procedures include clear guidance on competitive selection, including criteria for exceptions to	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X	

<i>Audit report</i> <i>No. year</i>	<i>Report reference</i>	<i>Board's recommendation</i>	<i>UNEP response</i>	<i>Status after verification</i>		
				<i>Board's assessment</i>	<i>Implemented</i>	<i>Under implementation</i> <i>Not Overtaken by events</i>
11. 2021	<a href="#">A/77/5/Add.7</a> , chap. II, para. 120	The Board recommends that UNEP update active projects with supporting implementation files in the integrated planning, management and reporting module, and review and standardize project cycle management tools as a complement to the module.	competitive selection. UNEP requests closure of this recommendation. Management has committed to the Board its intention to fully implement IPMR as a central tool for results management, dedicating substantial resources to integrate the GEF portfolio into the system. Given the large number of completed and pending closure projects in the GEF portfolio, as noted in the BOA's other open recommendations, and the significant resource and technical challenges involved in migrating older (closed) projects, management decided to prioritize the migration of ongoing projects that were still operational when IPMR was rolled out.	The Board reviewed the supporting documents in the IPMR and raised a new recommendation on it. Therefore, this recommendation is considered to be overtaken by events.		X
12. 2021	<a href="#">A/77/5/Add.7</a> , chap. II, para. 133	The Board recommends that UNEP take effective action to accelerate the pre-inception activities of UNEP-Green Climate Fund projects and promote the approved projects' implementation.	The Green Climate Fund Coordination Unit developed a systematic approach. Guidance on re-inception activities was added to the UNEP Programme and Project Management Manual (PPMM) for project consistency and internal reference.	Given that the UNEP PPMM 2024 edition has been finalized to enhance approved project implementation during pre-inception and inception stages, this recommendation is considered to be implemented.	X	
13. 2022	<a href="#">A/78/5/Add.7</a> , chap. II, para. 43	The Board recommends that UNEP, in coordination with Regional Office for Europe, analyze the assets wrongly recorded, and adjust them to the appropriate cost center.	The equipment list of UNEP Europe Office has been fully reviewed and adjustments are completed. The valid list is provided as supporting document. The Regional Office for Europe analyzed the assets wrongly recorded and adjusted them to the appropriate cost center.	The Regional Office for Europe analyzed the assets wrongly recorded and adjusted them to the appropriate cost center. Therefore, this recommendation is considered to be implemented.	X	
14. 2022	<a href="#">A/78/5/Add.7</a> , chap. II, para. 71	The Board recommends that UNEP, in coordination with the Ozone Secretariat, undertake an internal assessment before the next	In conjunction with preparing a comprehensive report to the 13th meeting of the Conference of the Parties to the Vienna Convention, the Secretariat carried out an internal	Given the Secretariat carried out an internal assessment and report to the Conference of the Parties, this recommendation is considered to be implemented.	X	

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
15. 2022	<a href="#">A/78/5/Add.7</a> , chap. II, para. 80	Conference of the Parties on how fund raising may be further improved.	assessment on the impact of the Advisory Committee's work on fundraising under the General Trust Fund for Financing Activities on Research and Systematic Observations Relevant to the Vienna Convention as per the recommendation. Further background and evidence have been provided in the supporting documents. In sum, UNEP undertook an internal assessment on how fundraising may be further improved which was presented to Conference of the Parties.	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X		
16. 2022	<a href="#">A/78/5/Add.7</a> ,chap. II, para. 89	The Board recommends that UNEP reinforce its procedures for the review of critical risk level entities in compliance with the regulation of the updated Programme and Project Management Manual and revised Partnership Policy and Procedures, rigorously form the partnership in accordance with the results of due diligence and risk assessment to reduce the likelihood of reputational risk posed to UNEP.	The UNEP partnership policy was approved on 29 June 2024 and entered into force on 29 September 2024. The procedures include clear guidance on risk treatment and monitoring.	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X		
17. 2022	<a href="#">A/78/5/Add.7</a> , chap. II, para. 111	The Board recommends that UNEP performs terminal assessment on the seven completed PIMS projects	The UNEP partnership policy was approved on 29 June 2024 and has entered into force on 29 September 2024. The new Terms of Reference for the Partnership Committee include clear review criteria.  For the 47 sampled projects, - 32 projects have either a medium-term review, a terminal review or a form of independent evaluation /	Given that the 47 projects had been reviewed case by case,	X		

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
		sampled and that respective managing divisions provide or perform mid-term assessments on the 47 sampled PIMS projects with a duration of four years or more as required.	review / assessment completed. See evidence in the supporting documents folder. - 15 projects that do not have any form of review or assessment evaluation / review / assessment completed however have an explanation provided.	this recommendation is considered to be implemented.			
18. 2022	A/78/5/Add.7, chap. II, para. 118	The Board recommends that UNEP assess the workload of incumbent task managers of GEF projects and formulate a response plan to mitigate the potential imbalance of project allocations.	UNEP senior managers are currently conducting a review of Global Environment Fund (GEF) operations within UNEP to better understand how value is created, delivered, and captured. As part of this broader assessment, they are also considering the workload of incumbent Task Managers of GEF projects to identify and address any potential imbalances in project allocations.	UNEP is conducting a review and considering the workload to meet the recommendation, this recommendation is considered to be under implementation.		X	
19. 2022	A/78/5/Add.7, chap. II, para. 126	The Board recommends that UNEP formulate more specific guidelines on no-cost extension and encourage project/task managers to minimize the need for project extensions.	UNEP is addressing the no-cost extension guidance at the corporate level in the 2024 edition PPM. When updating it, UNEP reorganized the project cycle management chapter to align with corporate concepts and procedures. The project extension section, especially on no-cost extension, is elaborated for a unified approach and consistent oversight across all projects and funding sources. The 2023 edition PPM only focused on project extensions in the revision part. However, the 2024 edition, which is completed, extensively details the project extension section, clarifying definitions, best practices, and review processes. It also points out the hidden costs of 'no-cost extension' to the organization.	UNEP has updated the PPM to 2024 edition and extended and refined relevant regulations concerning project extension, this recommendation is considered to be implemented.	X		



Audit report No. year	Report reference	Board's recommendation	UNEP response	Status after verification		
				Board's assessment	Implemented	Not Overtaken by events
20. 2022	A/78/5/Add.7, chap. II, para. 144	The Board recommends that UNEP complete the data enrichment of ongoing projects in the Integrated Planning, Management and Reporting module according to the transition plan.	UNEP completed enrichment of ongoing projects in IPMR under its management during the transition period which ended on 31 January 2024. The enclosed corporate memo titled "Full implementation of the monitoring and reporting functionality in the integrated planning, management and reporting (IPMR) solution" outlines the transition period of 6 months starting 1 June 2023.	The Board reviewed the data enrichment in the IPMR during this audit and raise a recommendation on it. Therefore, this recommendation is considered to be overtaken by events.		X
21. 2022	A/78/5/Add.7, chap. II, para. 167	The Board recommends that UNEP consider publishing 75 per cent of active projects' information and conducting a quarterly review on the updating of Open Data portal content to help ensure the integrity, accuracy and consistency of the voluntary information disclosures.	A consultant was engaged in July 2024 to lead the revamp of the Open Data Portal. The scope includes automating the publication process for project data and conducting a review of all currently published data to enhance accuracy and consistency. The updated portal is scheduled for launch in June 2025, with planned quarterly reviews to ensure data integrity and alignment with voluntary disclosure standards. UNEP anticipates meeting the target of this recommendation as part of this initiative and proposes closure of this recommendation following the portal's relaunch.	Given UNEP has engaged a consultant to revamp of the Open Data Portal, and updated portal is planned for launch in June 2025, this recommendation is considered to be under implementation.	X	
22. 2022	A/78/5/Add.7, chap. II, para. 168	The Board recommends that UNEP disclose the safeguard information and information on Sustainable Development Goals when the safeguards and gender online system and the integrated planning, management, and reporting solution, respectively, are ready.	In response to the United Nations 2.0 Digital Policy, UNEP management decided to "streamline the project process in one automation system, integrating all aspects of particular project-specific requirements and related processes, with emphasis on Safeguards and Gender Online system (SAGE)". As a result of this strategic shift, the development of the	Given the situation that UNEP had decided the strategic shift, but online system was delayed, this recommendation is considered to be under implementation.	X	

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
23. 2022	<a href="#">A/78/5/Add.7</a> , chap. II, para. 183	The Board recommends that UNEP develop a plan to monitor the pre-selected vendor modality.	Safeguards and Gender Online System (SAGE) was delayed. This recommendation refers to one case from 2022. Since then, no recurrence has been recorded. An operational guidance was issued, under which it is required to submit requests for approval of pre-selected vendors for prior approval.	An operational guidance was issued, and regulations have been established for the approval process of pre-selection. Therefore, this recommendation is considered to be implemented.	X		
24. 2022	<a href="#">A/78/5/Add.7</a> , chap. II, para. 193	The Board recommends that UNEP establish a long-term strategic clean fleet management plan, including a replacement plan for its old vehicles and a procurement plan for accelerating the transformation to zero-emission vehicles.	In December 2024, the UNEP Executive Director issued a memo outlining a strategic plan and procedures for UNEP fleet management aligned with the broader Strategy for Sustainability Management in United Nations System 2020-2030. Per the memo, any new vehicle purchase, including the replacement of existing fleet vehicles, requires approval from the Executive Director and must adhere to a provided checklist. This checklist includes prioritization of Zero-Emission Vehicle (ZEV) Procurement, when feasible. This memo also tasked the Corporate Services Division to undertake a review to evaluate each vehicle's age and usage for the preparation of a disposal or replacement plan for hybrid or zero-emission vehicles. This exercise, as per the plan in the memo, has already commenced.	Given that the strategic plan had been carried out and the corresponding actions were formally approved by the Executive Director on 15 May 2025, this recommendation is considered to be implemented.	X		
25. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 25	The Board recommends that UNEP undertake an investigation to clarify the procedures for managing open long outstanding commitments and enhance review of open	This is a joint UNON-UNEP issue that is being addressed through the development of a user-friendly report within Umoja Analytics. The report is designed to flag long outstanding commitments in Umoja and help reconcile discrepancies between ECC	Given that the review and management of open commitments, particularly during year-end closing processes, are currently being carried out by developing a user-friendly report within the Umoja Analytics, this		X	

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
		commitments within the year end closing processes.	and Umoja Analytics regarding commitment balances. Once finalized, this tool will support more effective review and management of open commitments, particularly during year-end closing processes, in line with the Board's recommendation.	recommendation is considered to be under implementation.			
26. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 32	The Board recommends that UNEP review the 30 grants case by case to record the Controller approval information in Umoja and take measures to ensure each special Programme Support Costs rate of a grant be approved by the Controller in the future.	UNEP has thoroughly reviewed each grant and provided supporting documentation for all the grants that had non-standard Programme Support Costs (PSC) rates. UNON updated the master data, and all the relevant supporting documents were attached. UNEP also noted that in future all the grants with non-standard PSC should be backed up with approved memo from the controller.	Given that each grant and provided supporting documentation for all the grants that had non-standard PSC rates, this recommendation is considered to be implemented.	X		
27. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 38	The Board recommends that UNEP review the 24 items on a case-by-case basis and identify the reasons for the lack of compliance with the provision of installments and financial reporting, accelerate the implementation of 24 agreements and increase UN entities' awareness of financial reporting.	UNEP reviewed all 24 agreements on a case by case basis, thus accelerating implementation through cognizant offices. Advances for 23 agreements were fully reported and recorded, while the advance under Agreement 2000016641 was reduced from \$42,750 to \$1,407, with the remaining balance to be offset against future advances under the Full-Size Project due to cost-inefficiency in returning it. To reinforce installment payments, the Corporate Services Division issued a memo on 12 April 2023, instructing Fund Management and Administrative Officers to ensure legal agreements reflect installment-based disbursements.	Given that UNEP reviewed all 24 agreements on a case-by-case basis, the Corporate Services Division issued a memo on 12 April 2023, this recommendation is considered to be implemented.	X		
28. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 44	The Board recommends that UNEP document, in form of Standard Operation	UNEP, in collaboration with UNON, developed a Standard Operating Procedure to document the process	Given that UNEP and UNON developed a SOP, which was approved by the Deputy	X		

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
29. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 50	Procedures, the process for the estimates provided by programme managers, record the expenditures and document any exceptional cases.	for estimates provided by programme managers, record expenditures, and any exceptional cases. It was approved by the Deputy Director of the Corporate Services Division on 20 January 2025 and disseminated to UNEP staff.	Director of the Corporate Services Division on 20 January 2025, this recommendation is considered to be implemented.			
		The Board recommends that UNEP review the implementation plans for UNEA resolutions 5.4, 5.5, 5.7 and 5.8 to include implementation timelines, data accuracy and clear internal accountability, and that Resolution Focal Points upload them in the Monitoring and Reporting Portal.	In 2024, UNEP conducted training for all resolutions focal points focused on improving data quality. It also included special targeted capacity building briefings on these four resolutions leading to improved reporting quality for two resolutions (UNEA5/7 and UNEA 5/8) during the reporting cycle covering July-December 2024. Resolution 5/4 was closed as it was superseded by another resolution (UNEA 6/13) while UNEA 5/5 was also closed as its mandate was completed. The UNEA resolutions as indicated by the auditors (5/4, 5/5, 5/7, and 5/8) have been addressed in accordance with the Board's recommendation.	UNEP provided screenshots from the Monitoring and Reporting Portal and submitted training materials demonstrating improvements in reporting quality, including elements of timelines, data accuracy, and internal accountability. These actions are assessed to meet the intent of the recommendation. This recommendation is considered to be implemented.	X		
30. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 58	The Board recommends that UNEP conduct an in-house inventory on all Sendai Framework-related projects and activities across the UNEP Programme of Work.	UNEP's work concerning Disaster Risk Reduction is explained at <a href="https://www.unep.org/topics/disasters-and-conflicts/disaster-risk-reduction">https://www.unep.org/topics/disasters-and-conflicts/disaster-risk-reduction</a> . In UNEP, these projects have different divisions and offices as lead depending on expertise required. UNEP has concluded its in-house inventory of all Sendai Framework-related projects and activities across the Programme of Work.	UNEP has concluded its in-house inventory of all Sendai Framework-related projects and activities across the Programme of Work. Therefore, this recommendation is considered to be implemented.		X	
		The Board recommends that UNEP reduce by 30 per cent the percentage of projects that have been expired and are pending	The recommendation referred to 140 ageing and expired projects in 2023 and recommended to operationally closure before 2025. During the year of 2024, 20 projects have been	Given the 120 projects had been operationally closed, this recommendation is considered to be implemented.		X	

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification	
					Implemented	Not Overtaken by events
32. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 65	The Board also recommends that UNEP reduces the percentage of projects pending financial closure for more than two years.	financially closed while 120 have been operationally closed. This progress resulted from a dedicated data cleansing exercise targeting the closure of expired and closed projects mistakenly converted to IPMR during the transition period. The closure rate of aging projects far exceeded the recommended 30 per cent and UNEP's continued vigilance in following up on this issue.  A joint task force between the Policy and Programme Division and the Corporate Services Division has been established. A consultant is currently being recruited to assist with the closure of projects. UNEP continues to explore all potential solutions to reduce the percentage of projects pending financial closure for more than two years, in line with the Board's recommendation.	Given that UNEP is currently recruiting a consultant to assist with the closure of projects and will continue to explore all possible solutions, this recommendation is considered to be under implementation.	X	
33. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 71	The Board recommends that UNEP update guidance on the project asset management and develop a tracking tool for monitoring the submission of the inventory of non-expendable equipment by implementing partners, in line with the requirements of the respective legal instruments.	At UNEP's request, "PP&E Report" and "Final PP&E Report" were added to the Grantor Module Report Schedule section. This addition helps offices define periodic and final reporting needs for non-expendable equipment in Implementing Partner agreements with inventory and asset budgets. Moreover, Umoja Analytics now has a tracking tool for monitoring Implementing Partners' submission of non-expendable equipment inventories. This tool enables UNEP to methodically track reporting compliance against agreement terms.  The 2024 edition PPMF Financial Management chapter states Implementing Partners must submit	UNEP has developed the function concerning PPE Report in information systems, and clarified relevant regulations in the 2024 edition PPMF, this recommendation is considered to be implemented.	X	

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
					Implemented	Under implementation	Not Overtaken by events
34. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 77	The Board recommends that UNEP ensure management actions to track the implementation status of UNEP-wide evaluation recommendations.	periodic PP&E reports along with financial and substantive reports as per legal agreements.  The Evaluation Office continues to collect recommendations from project-level evaluations that relate to issues and/or systems outside the authority of the Project Manager. These "UNEP-wide" recommendations are consolidated and summarized for Senior Management's attention. To ensure ongoing oversight, the Evaluation Office has been included in the Senior Management Team (SMT) meeting agenda on 12 May 2025 to present the most recent summary of UNEP-wide recommendations. This consolidated summary for management is scheduled to be submitted to Senior Management on 30 April 2025. UNEP is committed to strengthening management actions to track the implementation status of these recommendations in line with the Board's recommendation. UNEP Management has taken action to track the implementation status of UNEP-wide evaluation recommendations through consolidated reporting and periodic review at Senior Management level.	Considering that the "UNEP-wide" recommendations were duly consolidated and presented to Senior Management, that the agreed course of action is clearly documented in the SMT meeting minutes, including the designation of a responsible division to oversee and track implementation on behalf of UNEP, this recommendation is considered to be implemented.	X		
35. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 85	The Board recommends that UNEP consider a targeted training session or seminar to raise the awareness and competency of its technical staff in integrating sustainability further in GEF projects within the available resources.	To raise awareness and competency of UNEP technical staff in further integrating sustainability in GEF projects, a consultant was hired on 17 March 2025 and will roll out the recommended targeted training/seminar within two months following some preparatory work and analysis. The consultant will be	UNEP signed the contract with consultants to deliver tailored training sessions with relevant staff, this recommendation is considered to be implemented.	X		

Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
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36. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 91	The Board recommends that UNEP specify in its Programme of Work document that the detailed evaluation plan for a subprogramme is in the form of a Term of Reference, which will be prepared annually and will cover the requisites of an evaluation plan.	responsible for delivering a tailored training session in close collaboration with key units, including the Evaluation Office, to ensure a more consistent application of sustainability principles across future projects.  The recommended specification has been incorporated into the recent submission from the Evaluation Office to the Policy and Programme Division as text to be added as Annex I in the next Programme of Work. The inserted text reads: “A Subprogramme evaluation is launched through a Terms of Reference, which covers the requisites of an evaluation plan. The intended sequence of subprogramme evaluations, typically launched on an annual basis, is as follows.... (a provisional plan of subprogramme evaluations follows in the Programme of Work Annex).”	UNEP has submitted draft language and a provisional evaluation plan for inclusion in the 2026–2027 Programme of Work, clarifying that subprogramme evaluations will be launched through Terms of Reference. However, the final Programme of Work document incorporating this annex had not been issued by the reporting date. This recommendation is considered to be under implementation.		X	
37. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 108	The Board recommends that UNEP formulate framework to regulate its engagement with Collaborating Centers including their establishment, management, and operation issues.	UNEP has allocated additional resources to ensure the full implementation of this. Work is underway to develop a framework to regulate UNEP's engagement with Collaborating Centers, covering their establishment, management, and operational aspects. A preliminary draft is expected to be shared with the Executive Office for review by mid-May 2025.	Given that work is underway to develop a framework to regulate UNEP's engagement with Collaborating Centers, this recommendation is considered to be under implementation.		X	
38. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 116	The Board recommends that UNEP prepares an update report on the implementation of the Interim Memo on the	A consultation was held with the Private Sector Unit and the Procurement and Partnerships Unit to ensure that partnerships with the private sector entities contribute to	Considering that the update report is currently being prepared, this recommendation is considered to be under implementation.		X	



Audit report No. year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification		
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		Integration of the Digital Monitoring and Reporting Mechanism in the Partners Portal for Private Sector Partnerships, including monitoring of risk elements.	objectives and results as outlined in the UNEP's Medium-Term Strategy and Programme of Work. While the 2024 Partnerships Policy supports bilateral partnerships with private sector entities, in May 2023, the Senior Management Team approved a recommendation for UNEP to transition from bilateral partnerships with businesses for project implementation to platforms, coalitions, and alliances, fostering greater collaboration to accelerate impact and drive transformation at scale. Additionally, with the 2024 Partnership Policy 2024 implementation, there is a reinforced risk assessment and mitigation approach to private sector entities. An update report, summarizing the outcome and a way forward, is currently being prepared, and UNEP will provide further clarification once it is issued.				
39. 2023	<a href="#">A/79/5/Add.7</a> , chap. II, para. 124	The Board recommends that UNEP requests GRID Geneva to complete the hand-over process of the WESR data platform, including the data source used in the WESR-CCA and other technical and management aspects.	UNEP has requested in writing and speech the handover in accordance with the auditor's recommendations. UNEP can only be held accountable for its own actions, and the action as recommended by the Board, namely, to request the handover, has been completed in full. The request was made and there is no further action to be taken by UNEP.  As a mitigation strategy, UNEP is redesigning the solution from scratch using different and more up to date data sources. UNEP has moved ahead with the Country Environment Dashboard (CED) project and decided to take a different approach to the	Given the alternative data sources were selected, and CED was established by UNEP, the necessity of transferring WESR-CCA and data is relatively low, this recommendation is considered to be overtaken by events.			X



<i>Audit report No. year</i>	<i>Report reference</i>	<i>Board's recommendation</i>	<i>UNEP response</i>	<i>Board's assessment</i>	<i>Status after verification</i>		
					<i>Implemented</i>	<i>Under implementation</i>	<i>Not Overtaken by events</i>
40.	2023 <a href="#">A/79/5/Add.7</a> , chap. II, para. 132	The Board recommends that UNEP introduce a standard template for procurement planning which may accompany the Project Documentation depending on the size, and high-risk profile of the project.	indicators needed for the dashboards. The CED will use a new set of environmental indicators, taken from United Nations Stats and other established sources, and provide a simplified view of the state of the environment in each country. The data will be gathered and the tool built in-house by UNEP to ensure continuity and continued access to information.	Given that the standard template for procurement planning has been formulated, this recommendation is considered to be implemented.	X		
<b>Total number of recommendations</b>					<b>40</b>	<b>24</b>	<b>6</b>
<b>Percentage of the total number of recommendations</b>					<b>100</b>	<b>25</b>	<b>15</b>



**United Nations**

**Fund of the United Nations  
Environment Programme**

**Financial report and audited  
financial statements**

**for the year ended 31 December 2024**

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**Fund of the United Nations Environment Programme**

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United Nations • New York, 2025

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## Letters of transmittal

### **Letter dated 31 March 2025 from the Executive Director of the United Nations Environment Programme addressed to the Chair of the Board of Auditors**

In accordance with regulation 6.2 and rule 106.1 of the Financial Regulations and Rules of the United Nations, I have the honour to transmit the financial report and accounts of the United Nations Environment Programme, including associated trust funds and other related accounts, for the year ended 31 December 2024, which I hereby approve on the basis of the attestations of the Chief Finance Officer, the United Nations Office at Nairobi and the Chief, Financial Management Services, United Nations Environment Programme.

Copies of these financial statements are made available to both the Advisory Committee on Administrative and Budgetary Questions and the Board of Auditors.



**Inger Andersen**

Executive Director

United Nations Environment Programme

## Chapter III

### Certification of the financial statements

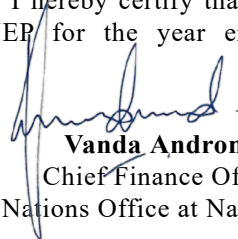
#### **Letter dated 31 March 2025 from the Chief Finance Officer of the United Nations Office at Nairobi addressed to the Chair of the Board of Auditors**

The financial statements of the United Nations Environment Programme (UNEP) for the year ended 31 December 2024 have been prepared in accordance with rule 106.1 of the Financial Regulations and Rules of the United Nations (ST/SGB/2013/4) and rule 207.3 of the supplement to the Financial Regulations and Rules of the United Nations (ST/SGB/2015/4).

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes, and the accompanying schedules, provide additional information and clarification of the financial activities undertaken by UNEP during the period covered by these statements.

The certification function defined in financial rules 105.5 and 105.7 to 105.9 of the Financial Regulations and Rules of the United Nations is assigned to UNEP. Responsibility for the accounts and the performance of the approving function, as defined in article VI and financial rule 105.6 of the Financial Regulations and Rules of the United Nations, is assigned to the United Nations Office at Nairobi.

In accordance with the authority assigned to me, I hereby certify that the appended financial statements of the Fund of UNEP for the year ended 31 December 2024 are correct in all material respects.



**Vanda Andromeda**

Chief Finance Officer

United Nations Office at Nairobi

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## Chapter IV

### Administration's financial overview for the year ended 31 December 2024

#### A. Introduction

1. The Executive Director has the honour to submit herewith the financial report, together with the accounts, of UNEP, including the Environment Fund, associated trust funds and the related accounts, for the year ended 31 December 2024. The financial statements consist of five statements and notes to the financial statements. In accordance with financial rule 106.1, these financial statements were to be transmitted to the Board of Auditors on 31 March 2025.
2. The United Nations Secretariat's SAP Analytics Cloud (SAC) serves as the enterprise reporting and analytics platform, providing access to comprehensive financial and operational data through interactive dashboards and reports that support various business needs. In addition, Systems Applications and Products in Data Processing (SAP)/Business Planning and Consolidation (BPC) was used to support the preparation of financial statements and notes. SAP/BPC helps to automate and streamline business forecast, planning and consolidation activities.
3. Regular budget revenue and expense, in so far as they relate to UNEP, are included in Volume I, a related party, but for completeness have also been included in these financial statements.

#### B. Operational aspects

##### *Mission and vision*

4. UNEP is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment.
5. The mission of UNEP is to provide leadership and encourage partnership in caring for the environment by inspiring, informing and enabling nations and peoples to improve their quality of life without compromising that of future generations.
6. UNEP supports Member States in ensuring that environmental sustainability is reflected in development and investment planning and provides countries with the necessary tools and technologies to protect and restore the environment.

##### *Governance*

7. UNEP works closely with the 193 Member States and with representatives from civil society, businesses and other major groups and stakeholders to address environmental challenges through the United Nations Environment Assembly of the United Nations Environment Programme, the world's highest-level decision-making body on the environment. It addresses the critical environmental challenges facing the world today. Understanding these challenges and preserving and rehabilitating the environment are at the heart of the 2030 Agenda for Sustainable Development.
8. The United Nations Environment Assembly meets biennially to set priorities for global environmental policies and develop international environmental law. Through its resolutions and calls to action, the Assembly provides leadership and catalyses intergovernmental action on the environment. Decision-making requires broad participation, and the Assembly provides an opportunity for all peoples to help design solutions for maintaining the health of the planet.



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9. Headquartered in Nairobi, UNEP is led by a senior management team chaired by the Executive Director. The organization hosts the secretariats of many critical multilateral environmental agreements and research bodies.

10. UNEP categorizes its work into seven broad thematic areas: climate change; digital transformation, nature action, environmental governance, chemicals and pollution action, finance and economic transformation and science policy.

11. Programme management and support are implemented through services provided by the Corporate Services and Policy and Programme Divisions of UNEP. The objective is to ensure the efficient and effective development and delivery of the programmatic priorities of the medium-term strategy, underpinned by sound management and leadership practices with a reinforced accountability framework that clarifies roles and responsibilities. Programme management and support serve to provide guidance on programme and project design, delivery and closure; the governance of resources; corporate policy development and oversight; programme monitoring and reporting; the building of staff knowledge and capacity; and the development of programme and resource management tools that support decision-making.

12. UNEP continues to strengthen planning and delivery processes through the progressive use of results-based management and strategic partnerships.

#### *Objective and strategy*

13. The medium-term strategy of UNEP for the period 2022–2025 and the programme and work and budget for the biennium 2024–2025 are focused on responding to three planetary crises: climate change, biodiversity and nature loss, and pollution and waste.

14. The medium-term strategy is the vision of UNEP for reversing that trajectory. In the strategy, UNEP articulates its role in delivering on the promises of the 2030 Agenda as well as of the United Nations Conference on Sustainable Development and its outcome document, “The future we want”. UNEP also outlines the way in which it will strengthen the environmental dimension of the 2030 Agenda during the period 2022–2025, supporting countries in delivering on their environmental commitments under international agreements.

15. The four-year strategy provides a plan of action for the first half of the decade of action and delivery for sustainable development that will enable UNEP to strengthen the collective United Nations response to the crises of climate change, biodiversity loss and pollution. The United Nations development system reform presents a tremendous opportunity for empowering the United Nations to address global environmental and socioeconomic crises. UNEP will leverage this opportunity to enhance its guiding role, raise ambition and accelerate and scale up progress towards the Sustainable Development Goals, in the spirit of the Secretary-General’s decade of action and delivery.

#### *Funding arrangements*

16. There are three main sources of funding for UNEP:

- **United Nations regular budget.** The only regular source of funding, it supports the functions of the UNEP secretariat, including the governing bodies; coordination in the United Nations system; and cooperation with global scientific communities. This source constitutes about 5 per cent of the Programme’s annual funding requirement, though this may fluctuate from time to time.
- **Environment Fund.** This is the core UNEP fund that supports the essential capacity needed for the balanced and efficient delivery of the programme of

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work of UNEP, which is approved by the Member States. This constitutes about 15 per cent of the annual funding requirement.

- **Earmarked contributions.** These are funds earmarked for specific projects, themes or countries that enable the expansion and replication of the programme of work of UNEP and its results in more countries and with more partners. This constitutes about 80 per cent of the annual funding requirement and consists of earmarked funds and global funds.

17. As UNEP relies on voluntary contributions for approximately 95 per cent of its funding (from the Environment Fund and earmarked contributions), its work is made possible by partners that fund and champion its mission.

18. The Environment Fund is the core source of flexible funds for UNEP, providing the bedrock for its work worldwide.

19. The main providers of earmarked funds include the Global Environment Facility, the Green Climate Fund, the Multilateral Fund for the Implementation of the Montreal Protocol, the European Commission and counterpart contributions in support of the programme of work.

20. Around the world, UNEP works in partnership with governments, the scientific community, the private sector, civil society and other United Nations entities and international organizations. It brings together partners to agree on solutions to common environmental challenges, for example through the United Nations Environment Assembly. By means of its campaigns, in particular World Environment Day, UNEP raises awareness and advocates effective environmental action.

### **C. International Public Sector Accounting Standards sustainability plan**

21. This is the eleventh year for which the financial statements of UNEP have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). To support continued IPSAS compliance, the organization has deployed an IPSAS sustainability plan with ongoing work under five major components that have been identified as the core pillars for IPSAS sustainability, namely:

(a) Management of the benefits of IPSAS: this entails tracking and compiling IPSAS benefits and examining ways of using IPSAS-triggered information to better manage the organization;

(b) Strengthening of internal controls: this includes the deployment and ongoing management of the framework that will support a statement of internal control;

(c) Management of the IPSAS regulatory framework: this includes active participation in the work of the IPSAS Board to formulate new IPSAS or change existing standards, and the related update of the IPSAS policy framework and financial rules and guidance, as well as the related changes to systems and processes;

(d) Maintenance of the integrity of Umoja as the backbone for IPSAS-compliant accounting and reporting: this includes ensuring IPSAS compliant processes for new programmes and activities and automating the production of financial statements via Umoja;

(e) Continued IPSAS training and the deployment of a skills strategy that will support a strengthened finance function.

## C. Overview of the financial statements of the year ended 31 December 2024

### All funds

22. Statements I to IV show the consolidated figures for all UNEP activities, comprising the Environment Fund, the regular budget, trust funds supporting the UNEP programme of work, trust funds supporting UNEP conventions and protocols, the Multilateral Fund, the programme support account, and end-of-service and retirement benefits for the year ended 31 December 2024. Statement V reports on the Environment Fund and the regular budget.

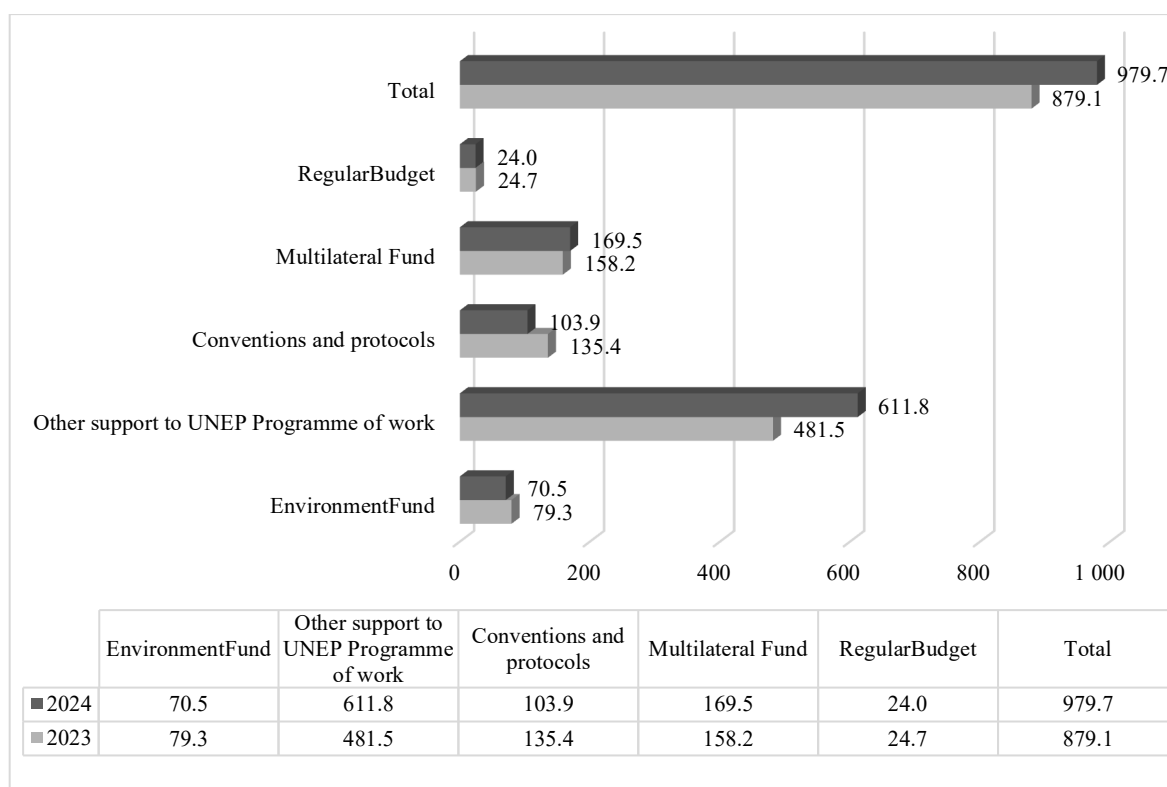
23. Comparison between the year ended 31 December 2023 and the current reporting date is provided.

24. The revenue of UNEP for the year ended 31 December 2024, by source of funding, is shown in figures IV.I and IV.II.

Figure IV.I

### 2024 contributions, by source of funding

(Millions of United States dollars)

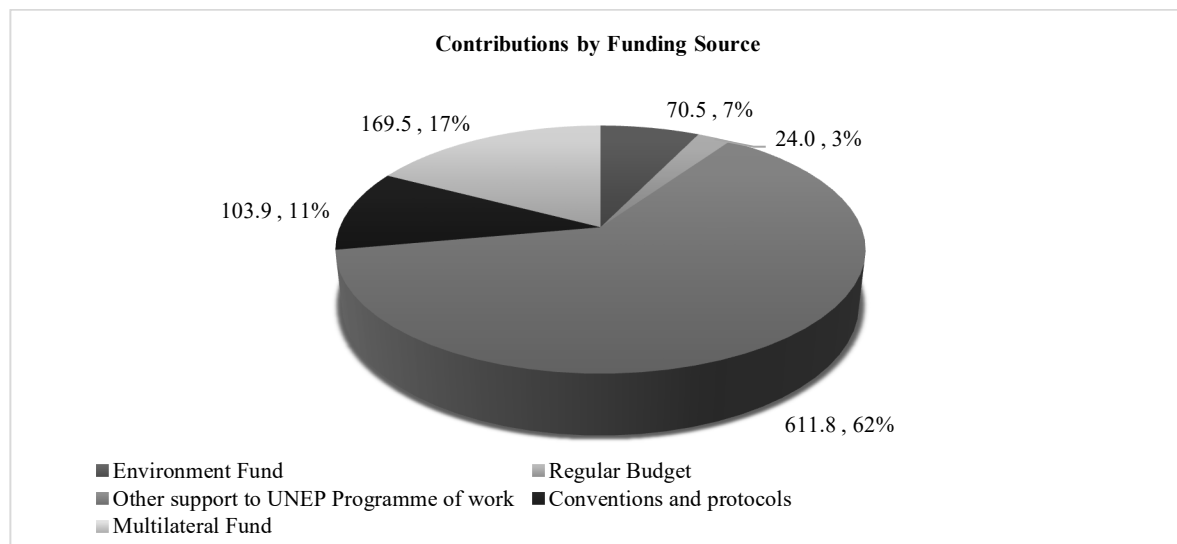


*Note:* Multilateral Fund revenue is presented with no elimination adjustment while Other Support to UNEP Programme of Work revenue is presented less elimination adjustments for (i) UNEP internal implementation of \$45.0 million (2023: \$27.0 million) and (ii) carbon offsets cost recovery of \$0.4 million (2023: \$0.4 million).

Figure IV.II

**2024 contributions, by source of funding (proportions)**

(Millions of United States dollars)

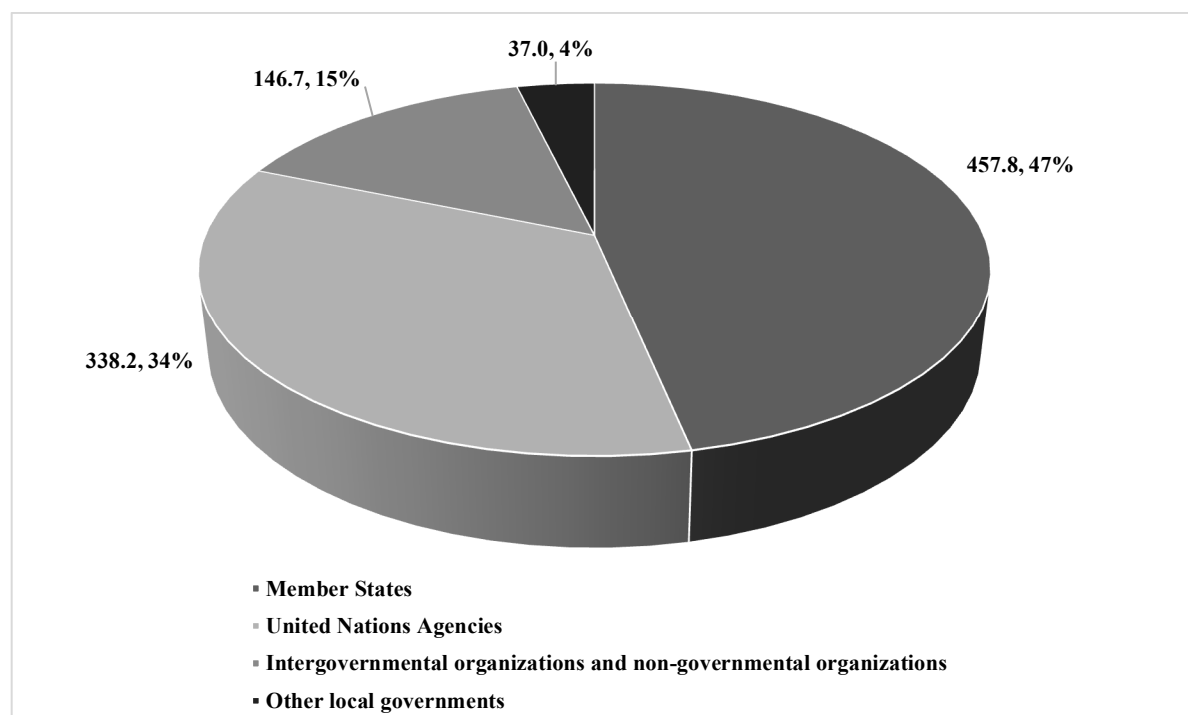


25. The distribution of contributions, by type of contributing entity, is shown in figure IV.III.

Figure IV.III

**Distribution of contributions, by type of entity**

(Millions of United States dollars)



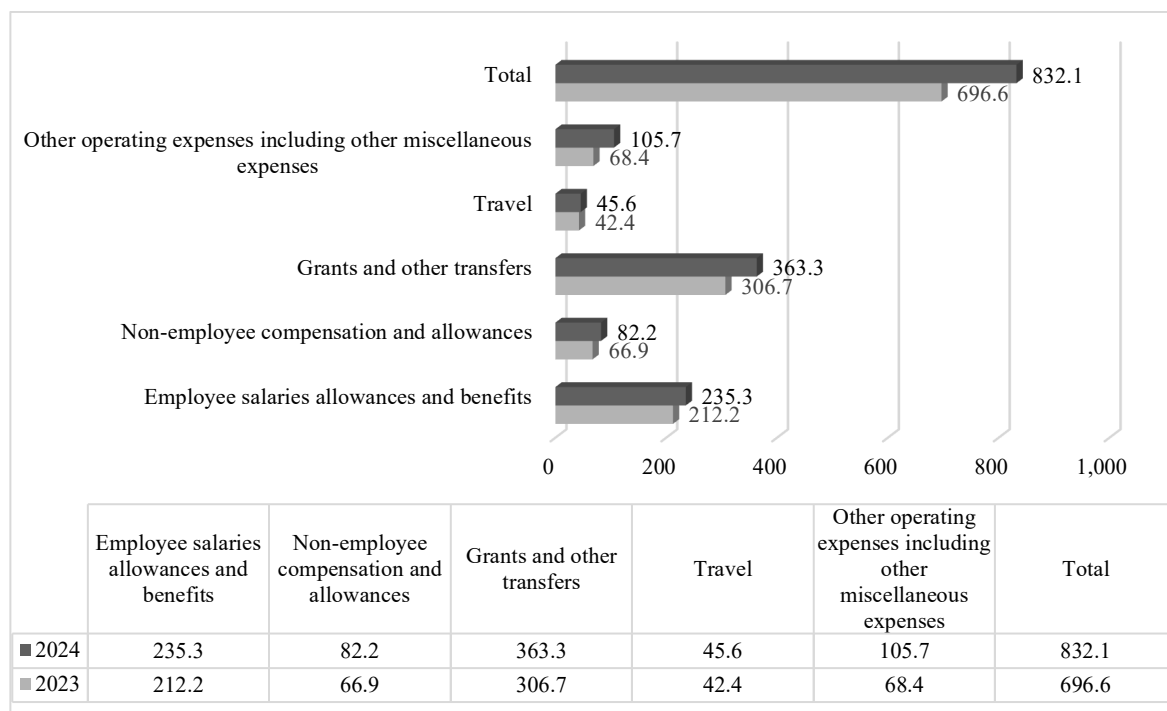
26. The contributions are based on IPSAS accounting, which includes recognizing donor project funding in full on the signing of a donor agreement by both the donor and UNEP. This includes project funding from the Global Environment Facility where revenue is recognized in full for multi-year projects following project approval by the Facility and receipt of a letter of commitment

from the Facility trustee, the International Bank for Reconstruction and Development.

27. Expenditure in 2024 relative to 2023, by type of expense, is shown in figure IV.IV

Figure IV.IV  
**Expenditure in 2024 relative to 2023, by type of expense**

(Millions of United States dollars)



28. Total expenses for 2024 are \$832.1 million. Other operating expenses, including other miscellaneous expenses, are as shown in note 26.

#### Key indicators from statement I

29. Total assets increased by \$299.1 million (8.6 per cent) to \$3 784.5 million as at 31 December 2024, from \$3 485.4 million as at 31 December 2023.

30. Total liabilities increased by \$48.8 million (9.0 per cent) to \$590.1 million as at 31 December 2024, from \$541.3 million as at 31 December 2023.

31. Net assets increased by \$250.3 million (8.5 per cent) to \$3 194.4 million as at 31 December 2024, from \$2 944.1 million as at 31 December 2023.

32. Table IV.1 contains a summary of other key indicators for the year ended 31 December 2024 compared with the year ended 31 December 2023.

Table IV.1  
**Other key indicators**  
(Millions of United States dollars)

	2024	2023	Increase/ decrease	Change (percentage)
Assessed contributions revenue	255.9	242.4	13.5	5.6%
Voluntary contributions revenue	387.6	411.5	(23.9)	(5.8%)
Other transfers and allocations	336.2	225.2	111.0	49.3%
<b>Total contributions revenue</b>	<b>979.7</b>	<b>879.1</b>	<b>100.6</b>	<b>11.4%</b>
Cash and cash equivalents	226.3	252.1	(25.8)	(10.2%)
Short-term investments	1 359.3	1 300.3	59.0	4.5%
Long-term investments	497.1	406.7	90.4	22.2%
<b>Total cash and investments</b>	<b>2 082.7</b>	<b>1 959.1</b>	<b>123.6</b>	<b>6.3%</b>
Assessed contributions receivable	19.6	42.4	(22.8)	(53.8%)
Voluntary contributions receivable	1 248.6	1 095.4	153.2	14.0%
<b>Total receivables</b>	<b>1 268.2</b>	<b>1 137.8</b>	<b>130.4</b>	<b>11.5%</b>
Advance transfers	396.4	357.4	39.0	10.9%
Other assets	34.5	28.3	6.2	21.9%
Accounts payable and accrued payables	52.8	34.1	18.7	54.8%
Employee benefits liabilities	251.3	233.6	17.7	7.6%
Liabilities for conditional arrangements/other liabilities	132.1	147.3	(15.2)	(10.3%)

33. Additional information on the movements as shown in the table above is provided in the notes to the financial statements.

34. A liquidity analysis at the segment level is presented in table IV.2 below. The cash balances of the trust funds are earmarked for specific activities of each fund and are not available to other fund groups. The balances include payments received in advance for the implementation of activities in future years. A liquidity analysis of the regular budget and related funds has not been provided, as UNEP does not control those funds.

Table IV.2  
**Liquidity analysis at the segment level**

(Thousands of United States dollars)

Segment	31 December 2024					31 December 2023	
	Cash assets <sup>a</sup>	Total current assets	Total current liabilities <sup>b</sup>	Cash assets to current liabilities <sup>b</sup>	Current ratio	Cash assets to current liabilities	Current ratio
	A	B	C	A/C	B/C		
Environment Fund	45 100	63 935	5 414	8.3	11.8	10.5	16.1
Other support to UNEP programme of work	680 703	1 264 924	183 323	3.7	6.9	4.0	7.3
Conventions and protocols	158 538	214 937	44 627	3.6	4.8	3.5	5.1
Multilateral Fund	552 376	629 070	114 066	4.8	5.5	5.7	6.8
Programme support	38 498	40 353	1 019	37.8	39.6	31.0	33.1
End-of-service and post-retirement benefits	110 353	110 353	7 723	14.3	14.3	12.5	12.5
<b>Segment total</b>	<b>1 585 568</b>	<b>2 323 572</b>	<b>356 172</b>	<b>4.5</b>	<b>6.5</b>	<b>4.9</b>	<b>7.2</b>

<sup>a</sup> Cash assets consist of cash, cash equivalents and short-term investments.

<sup>b</sup> Consolidated figures are net of the intersegment eliminations.

## E. End-of-service and post-retirement accrued liabilities

35. The UNEP financial statements reflect end-of-service and post-retirement benefits, comprising after-service health insurance liabilities, annual leave and repatriation benefits. UNEP makes monthly provisions for repatriation benefits at 8 per cent of net salary. In addition, since January 2017, UNEP started to make monthly provisions for after-service health insurance at 3 per cent of net salary. The monthly rate for those provisions was increased to 6 per cent effective 1 January 2019. UNEP, in collaboration with the United Nations Office at Nairobi and United Nations Headquarters in New York commenced discussions on the long-term financing strategies of the liability in 2022 and as a result of these discussions, the monthly accrual rate of after-service health insurance was increased by 3% from 6% to 9% effective 01 October 2022.

36. The 31 December 2024 accrued balances have been adjusted to reflect the estimated liabilities as at 31 December 2024 as reflected in the 2024 actuarial study calculations by a consulting firm engaged by the United Nations Secretariat on behalf of UNEP. As a result of fully charging these liabilities in the financial statements as at 31 December 2024, an amount of \$96.7 million of cumulative unfunded expenditure is shown in note 5, "Segment report", under the end-of-service and post-retirement benefits segment. However, this balance does not include other staff liabilities that are not centrally accrued through the payroll like repatriation travel costs.

## Chapter V

### Financial statements and related explanatory notes for the year ended 31 December 2024

#### United Nations Environment Programme

#### I. Statement of financial position as at 31 December 2024

(Thousands of United States dollars)

	Notes	31 December 2024	31 December 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	226 303	252 090
Investments	8	1 359 265	1 300 298
Assessed contributions receivable	9	19 643	42 447
Voluntary contributions receivable	10	383 672	394 228
Other receivables	11	435	773
Advance transfers	12	299 726	299 333
Other assets	13	34 528	28 254
<b>Total current assets</b>		<b>2 323 572</b>	<b>2 317 423</b>
<b>Non-current assets</b>			
Investments	8	497 142	406 745
Assessed contributions receivable	9	—	—
Voluntary contributions receivable	10	864 930	701 237
Advance transfers	12	96 643	58 119
Property, plant and equipment	15	2 185	1 884
Intangible assets	16	29	36
<b>Total non-current assets</b>		<b>1 460 929</b>	<b>1 168 021</b>
<b>Total assets</b>		<b>3 784 501</b>	<b>3 485 444</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	17	52 771	34 092
Funds received in advance and deferred revenue	18	153 924	126 277
Employee benefits liabilities	19, 20	17 369	13 519
Provisions	21	14	—
Liabilities for conditional arrangements	22	132 094	147 307
Other liabilities	22	—	—
<b>Total current liabilities</b>		<b>356 172</b>	<b>321 195</b>
<b>Non-current liabilities</b>			
Employee benefits liabilities	19, 20	233 923	220 135
<b>Total non-current liabilities</b>		<b>233 923</b>	<b>220 135</b>
<b>Total liabilities</b>		<b>590 095</b>	<b>541 330</b>
<b>Total net of total assets and total liabilities</b>		<b>3 194 406</b>	<b>2 944 114</b>
<b>Net assets</b>			
Accumulated surpluses/(deficits) – unrestricted	23	3 157 401	2 904 861
Fair value reserves	23	(2 419)	—
Reserves	23	39 424	39 253
<b>Total net assets</b>		<b>3 194 406</b>	<b>2 944 114</b>

The accompanying notes are an integral part of these financial statements



## United Nations Environment Programme

### II. Statement of financial performance for the year ended 31 December 2024

(Thousands of United States dollars)

	<i>Notes</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Revenue</b>			
Assessed contributions	24	255 893	242 386
Voluntary contributions	24	387 606	411 483
Other transfers and allocations	24	336 169	225 222
Investment revenue	27	105 811	78 949
Other revenue	25	16 365	17 437
<b>Total revenue</b>		<b>1 101 844</b>	<b>975 477</b>
<b>Expense</b>			
Employee salaries, allowances, and benefits	26	235 267	212 186
Non-employee compensation and allowances	26	82 207	66 944
Grants and other transfers	26, 32	363 327	306 739
Supplies and consumables	26	294	345
Depreciation	15	363	320
Amortization	16	7	17
Travel	26	45 604	42 413
Other operating expenses	26	104 059	64 868
Exchange (gains)/losses from the fixed exchange rate mechanism of the Multilateral Fund	26	889	2 728
Other expenses	26	58	82
<b>Total expenses</b>		<b>832 075</b>	<b>696 642</b>
<b>Surplus/(deficit) for the year</b>		<b>269 769</b>	<b>278 835</b>

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

## United Nations Environment Programme

### III. Statement of changes in net assets for the year ended 31 December 2024<sup>a</sup>

(Thousands of United States dollars)

	<i>Accumulated surpluses/ (deficits) – unrestricted</i>	<i>Elimination</i>	<i>Accumulated surpluses/ (deficits) – unrestricted after elimination</i>	<i>Fair Value Reserves</i>	<i>Reserves</i>	<i>Total</i>
<b>Net assets at the beginning of the period</b>	<b>2 962 091</b>	<b>(57 230)</b>	<b>2 904 861</b>	<b>–</b>	<b>39 253</b>	<b>2 944 114</b>
Fair value transferred to reserves	6 088	–	6 088	(6 088)	–	–
<b>Net assets as at 01 January 2024 (restated)</b>	<b>2 968 179</b>	<b>(57 230)</b>	<b>2 910 949</b>	<b>(6 088)</b>	<b>39 253</b>	<b>2 944 114</b>
UNEP internal implementation elimination	–	(18 454)	(18 454)	–	–	(18 454)
Changes in net assets	–	–	–	–	–	–
Transfers to reserves	(171)	–	(171)	–	171	–
Actuarial gains/(losses)	(4 692)	–	(4 692)	–	–	(4 692)
Fair value change - Main Pool	–	–	–	3 669	–	3 669
<b>Total items recognized directly in net assets</b>	<b>(4 863)</b>	<b>(18 454)</b>	<b>(23 317)</b>	<b>3 669</b>	<b>171</b>	<b>(19 477)</b>
Surplus/(deficit) for period	269 769	–	269 769	–	–	269 769
<b>Net movement in net assets</b>	<b>264 906</b>	<b>(18 454)</b>	<b>246 452</b>	<b>3 669</b>	<b>171</b>	<b>250 292</b>
<b>Net assets, end of period</b>	<b>3 233 085</b>	<b>(75 684)</b>	<b>3 157 401</b>	<b>(2 419)</b>	<b>39 424</b>	<b>3 194 406</b>

<sup>a</sup>See note 23.

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

## United Nations Environment Programme

### IV. Statement of cash flows for the year ended 31 December 2024

(Thousands of United States dollars)

	Notes	31 December 2024	31 December 2023
<b>Cash flow from operating activities</b>			
<b>Surplus/(deficit) for the year</b>		<b>269 769</b>	<b>278 835</b>
<i>Non-cash movements</i>			
Depreciation and amortization	15, 16	370	337
Actuarial gain/loss on employee benefits liabilities	20	(4 692)	600
Transfers and donated property, plant and equipment and intangibles	15, 16	–	–
Loss on disposal of property, plant and equipment and intangibles	15, 16	62	36
Unrealized gains/(losses) arising from fair value changes in investments	23	3 669	12 284
<i>Changes in assets</i>			
(Increase)/decrease in assessed contributions receivable	9	22 804	(5 952)
(Increase)/decrease in voluntary contributions receivable	10	(153 137)	(37 848)
(Increase)/decrease in other receivables	11	338	213
(Increase)/decrease in advance transfers	12	(38 917)	(19 989)
(Increase)/decrease in other assets	13	(6 274)	(11 886)
<i>Changes in liabilities</i>			
Increase/(decrease) in accounts payable and accrued liabilities	17	18 679	9 912
Increase/(decrease) in funds received in advance and deferred revenue	18	27 647	22 276
Increase/(decrease) in employee benefits payable	19	17 638	11 094
Increase/(decrease) in provisions	21	14	–
Increase/(decrease) in liabilities for conditional arrangements	22	(15 213)	11 508
Increase/(decrease) in other liabilities	22	–	–
Investment revenue presented as investing activities	27	(105 811)	(78 949)
<b>Net cash flows from/(used in) operating activities</b>		<b>36 946</b>	<b>192 471</b>
<b>Cash flow from investing activities</b>			
Pro rata share of net increases in the cash pool	27	(149 364)	(256 423)
Investment revenue presented as investing activities	27	105 811	78 949
Acquisitions of property, plant and equipment	15	(726)	(196)
Acquisitions of intangible	16	–	–
<b>Net cash flows from/(used in) investing activities</b>		<b>(44 279)</b>	<b>(177 670)</b>
<b>Cash flow from financing activities</b>			
Adjustments to net assets	23	(18 454)	(6 339)
<b>Net cash flows from/(used in) financing activities</b>		<b>(18 454)</b>	<b>(6 339)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(25 787)</b>	<b>8 462</b>
Cash and cash equivalents – beginning of year		252 090	243 628
<b>Cash and cash equivalents – end of year</b>	7	<b>226 303</b>	<b>252 090</b>

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

## United Nations Environment Programme

### V. Statement of comparison of budget and actual amounts for the year ended 31 December 2024<sup>a</sup>

(Thousands of United States dollars)

	<i>Publicly available budget</i>			<i>Actual expenditure (budget basis)</i>	<i>Difference (percentage)<sup>b</sup></i>
	<i>Original biennial</i>	<i>Original annual</i>	<i>Final annual</i>		
Executive direction and management	12 000	6 000	6 987	6 589	(6)%
<b>Programme of work, comprising:</b>					
Climate action	24 000	12 000	10 362	9 037	(13)%
Digital transformation	14 000	7 000	8 929	8 362	(6)%
Nature action	24 000	12 000	13 334	12 642	(5)%
Environmental Governance	26 000	13 000	15 764	14 966	(5)%
Chemicals and pollution action	24 000	12 000	12 862	10 183	(21)%
Finance and economic transformations	26 000	13 000	13 546	10 887	(20)%
Science policy	26 000	13 000	13 651	13 305	(3)%
<b>Total programme of work</b>	<b>176 000</b>	<b>88 000</b>	<b>95 435</b>	<b>85 971</b>	<b>(10)%</b>
Fund programme reserve	10 000	5 000	4 700	1 263	(73)%
Programme support	14 000	7 000	9 864	9 284	(6)%
<b>Total Environment Fund</b>	<b>200 000</b>	<b>100 000</b>	<b>109 999</b>	<b>96 518</b>	<b>(12)%</b>
United Nations regular budget allocation <sup>c</sup>	19 956	19 956	19 956	20 465	3%
<b>Total Environment Fund and United Nations regular budget allocation</b>	<b>219 956</b>	<b>119 956</b>	<b>129 955</b>	<b>116 983</b>	<b>(10)%</b>

<sup>a</sup> See note 6.

<sup>b</sup> Actual expenditure (budget basis) less final budget.

<sup>c</sup> The United Nations regular budget allocation is from assessed contributions as reported in Volume I.

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

## **United Nations Environment Programme Notes to the 2024 financial statements**

### **Note 1**

#### **Reporting entity**

##### *The United Nations Environment Programme and its activities*

1. The United Nations Environment Programme (UNEP) was established by the General Assembly by its resolution [2997 \(XXVII\)](#) of 15 December 1972 as an autonomous body and a separate reporting entity within the United Nations, with the Governing Council of UNEP as its policymaking organ and a secretariat responsible for leading and coordinating action on environmental matters. As from June 2014, UNEP adopted universal membership, and the United Nations Environment Assembly became its governing body. UNEP is headed by an Executive Director. UNEP is supported by the Environment Fund, a United Nations regular budget allocation, assessed contributions and voluntary contributions from Governments, intergovernmental organizations, foundations, the private sector and other non-governmental sources. Headquartered in Nairobi, UNEP works through its divisions, regional offices, liaison and outposted offices and a growing network of collaborative centres of excellence. UNEP also hosts several environmental conventions, secretariats and inter-agency coordinating bodies that have been established in areas related to the UNEP programme of work.

2. UNEP is the leading global environmental authority, which sets the global agenda and promotes the coherent implementation of sustainable development within the United Nations system. UNEP is an implementing agency of the Global Environment Fund and the Multilateral Fund for the Implementation of the Montreal Protocol.

3. The activities for which UNEP is responsible for fall within programme 11, Environment, of the United Nations programme plan and priorities for 2024. Within its mandate UNEP promotes environmental sustainability while contributing to a balanced integration of the economic, social and environmental dimensions of sustainable development. This balanced approach also acknowledges the integrated nature of the challenges that countries face (e.g., gender equality, unemployment, income inequality, social exclusion and lack of environmental safeguards) and defines a new paradigm for sustainable development in which the environment is no longer treated in a silo.

#### **The United Nations Environment Programme**

4. The United Nations Environment Programme is a separate financial reporting entity of the United Nations and includes the Environment Fund, the UNEP United Nations regular budget allocation, trust funds that support the UNEP programme of work, trust funds that support the UNEP multilateral environment agreements and the Multilateral Fund for the Implementation of the Montreal Protocol, related programme support costs for the UNEP programme of work and the multilateral environment agencies and the Multilateral Fund.

### **Note 2**

#### **Basis of preparation and authorization for issue**

##### *Basis of preparation*

5. In accordance with the Financial Regulations and Rules of the United Nations, the financial statements are prepared on an accrual basis in accordance with International Public Sector Accounting Standards (IPSAS). They have been prepared on a going-concern basis and the accounting policies, as summarized in note 3, have been applied consistently in their preparation and presentation. In accordance with the requirements of IPSAS, these financial statements, which

present fairly the assets, liabilities, revenue and expenses of UNEP, and the cash flows over the financial year, consist of the following:

- (a) Statement I: statement of financial position;
- (b) Statement II: statement of financial performance;
- (c) Statement III: statement of changes in net assets;
- (d) Statement IV: statement of cash flows (using the indirect method);
- (e) Statement V: statement of comparison of budget and actual amounts;
- (f) Notes to the financial statements comprising a summary of significant accounting policies and other explanatory notes;
- (g) Comparative information in respect of all amounts presented in the financial statements indicated in (a) to (d) above and, where relevant, comparative information for narrative and descriptive information presented in the notes to these financial statements.

*Going concern*

6. The going-concern assertion is based on the approval by the General Assembly of the regular budget appropriations for 2025 in its resolution [79/259](#), the positive historical trend of collection of assessed and voluntary contributions over previous years and the fact that the Assembly has taken no decision to cease the operations of the United Nations.

*Authorization for issue*

7. These financial statements are certified by the Chief Finance Officer of the United Nations Office at Nairobi and approved by the Executive Director of UNEP. In accordance with the Financial Regulations and Rules of the United Nations, these financial statements as at 31 December 2024 are to be transmitted to the Board of Auditors by 31 March 2025. In accordance with financial regulation 7.12, the reports of the Board of Auditors are to be transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions, together with the audited financial statements.

*Measurement basis*

8. These financial statements are prepared using the historical-cost convention, except for investments held in the cash pool recorded at through net assets.

*Functional and presentation currency*

9. The functional currency and the presentation currency of the organization is the United States dollar. The financial statements are expressed in thousands of United States dollars unless otherwise stated.

10. Transactions in currencies other than the functional currency (foreign currencies) are translated into United States dollars at the United Nations operational rate of exchange at the date of the transaction. The United Nations operational rates of exchange approximate the spot rates prevailing at the date of each transaction. At year end, monetary assets and liabilities denominated in foreign currencies are translated at the United Nations operational rates of exchange. Non-monetary foreign currency-denominated items that are measured at fair value are translated at the United Nations operational rate of exchange at the date on which the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not translated at year end.

11. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities

denominated in foreign currencies at year-end exchange rates are recognized in the statement of financial performance on a net basis.

*Materiality and use of judgment and estimates*

12. Materiality is central to the preparation and presentation of the organization's financial statements and its materiality framework provides a systematic method in guiding accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies. In general, an item is considered material if its omission or its aggregation would have an impact on the conclusions or decisions of the users of the financial statements.

13. Preparing financial statements in accordance with IPSAS requires the use of estimates, judgments and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenues and expenses.

14. Accounting estimates, and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include; - actuarial measurement of employee benefits; selection of useful lives and the depreciation/amortization method for property, plant and equipment/intangible assets; impairment of assets; classification of financial instruments; valuation of inventory; inflation and discount rates used in the calculation of the present value of provisions; and classification of contingent assets/liabilities.

*Recent and future requirements of the International Public Sector Accounting Standards*

15. The progress and impact of the following significant future IPSAS Board accounting pronouncements on the organization's financial statements continue to be monitored:

- (a) The IPSAS Board's Exposure Draft 1, *Climate-related Disclosures*, proposes requirements for public sector entities to disclose information about (i) climate-related risks and opportunities to its own operations, and (ii) climate related public policy programs and their outcomes.
- (b) Exposure Draft 92, *Tangible Natural Resources*, proposes accounting for tangible natural resources and fills a gap in the IPSASB's framework.
- (c) Other IPSASB Pronouncements issued during the year include:
  - The Board completed the project on *Concessionary Leases and Other Arrangements Conveying Rights over Assets*, which introduced amendments to IPSAS 43, 47 and 48. It was approved in June 2024 and will become effective in January 2027. Concessionary leases are leases at below-market rate and are very common in the public sector. The goal of the project was to enhance the transparency and comparability between financial statements of entities that acquire assets or right to use assets without the exchange of consideration.
  - The IPSASB also approved the *Amendments to IPSAS Standards: Specific IFRIC Interpretations* which introduce additional guidance clarify the application of existing accounting principles. These amendments were approved in December 2024 are effective January 1, 2026.
  - *Improvements to IPSAS, 2023*, published in April 2024, includes minor improvements to accrual basis IPSAS that arise through publications of the International Accounting Standards Board.

16. The IPSAS Board issued the following standards:

- (a) IPSAS 43: Leases, issued in January 2022 and effective 1 January 2025; and
- (b) IPSAS 44: Non-current assets held for sale and discontinued operations, issued in May 2022 and effective 1 January 2025.
- (c) IPSAS 45: *Property, Plant, and Equipment*, issued in May 2023 and effective 1 January 2025;
- (d) IPSAS 46: *Measurement*, issued in May 2023 and effective 1 January 2025;
- (e) IPSAS 47: *Revenue*, issued in May 2023 and effective 1 January 2026;
- (f) IPSAS 48: *Transfer Expenses*, issued in May 2023 and effective 1 January 2026; and
- (g) IPSAS 49: *Retirement Benefit Plans*, approved in September 2023 and effective 1 January 2026.
- (h) IPSAS 50: *Exploration for and evaluation of mineral resources*, approved in September 2024 and effective 1 January 2027

17. The impact of these standards on the Organization's financial statements and the comparative period therein has been evaluated to be as follows:

Standard	Anticipated impact in the year of adoption
IPSAS 43	IPSAS 43: Leases, replaced IPSAS 13: Leases aligning guidance, with International Financial Reporting Standard 16. The newly issued standard introduces new contract and leases definitions and prescribes a right-of-use recognition and measurement model for all leases, apart from those meeting short-term and low-value exemption categories. IPSAS 43 also provides additional guidance on the application of the risks and rewards model for lessor accounting. Adoption of the standard is mandatory for the financial year ending 31 December 2025 for United Nations operations as reported in volume I. The operational processes and policy guidance are currently being updated for the implementation of IPSAS 43 which will be reported in the 2025 year-end financial statements. The broadened leases definition is estimated to result in the recognition of more binding arrangements as leases, with a corresponding increase in lease liabilities and right-of-use assets.
IPSAS 44	IPSAS 44: Non-current assets held for sale and discontinued operations, promulgates accounting for assets held for sale and the presentation and disclosure requirements of discontinued operations, in alignment with International Financial Reporting Standard 5. Given the definitions and scope of non-current assets held for sale, the recognition and measurement impacts are, on a preliminary basis, estimated as not significant for the Organization, given that the presentation and disclosure changes will depend on the identification of discontinued operations, if any, in the future, starting on 1 January 2025.
IPSAS 45	IPSAS 45: Property, plant and equipment, replaces IPSAS 17: Property, plant and equipment. IPSAS 45 changes scope exclusion for heritage property, plant and equipment, provides application and implementation guidance on infrastructure assets and captures property, plant and equipment-related measurement impacts from IPSAS 46. The measurement basis will not change and there is no significant impact on the financial statements with the application of the updated standard.
IPSAS 46	IPSAS 46: Measurement, is the IPSAS Board's first measurement-dedicated standard that draws upon International Financial Reporting Standard 13: Fair value



measurement, with the addition of public sector-specific elements, including the current operational value measurement basis. The adoption of IPSAS 46 is will not change the Organization's accounting policy choice to apply the historical cost model to tangible and intangible assets.

IPSAS 47	<p>IPSAS 47: Revenue, replaces the three existing revenue standards:</p> <ul style="list-style-type: none"> <li>(a) IPSAS 9: Revenue from exchange transactions;</li> <li>(b) IPSAS 11: Construction contracts;</li> <li>(c) IPSAS 23: Revenue from non-exchange transactions (taxes and transfers).</li> </ul> <p>IPSAS 47 aligns to the IPSAS Board Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities and presents two accounting models on the basis of the existence of a binding arrangement. Where a binding arrangement exists, revenue accounting is aligned with International Financial Reporting Standard 15: Revenue from contracts with customers. Otherwise, the accounting model is consistent with the core principles of IPSAS 23.</p> <p>Adoption of the standard is mandatory for the financial reporting for the year ending 31 December 2026. The impact of IPSAS 47 will be assessed prior to the 1 January 2026 effective date of the standard.</p>
IPSAS 48	<p>IPSAS 48: Transfer expenses, provides guidance on accounting for transfer expenses. The transfer expense model aligns with the Conceptual Framework and presents two accounting models on the basis of the existence of a binding arrangement.</p> <p>Adoption of the standard is for the financial year ending 31 December 2026. The impact of IPSAS 48 will be assessed prior to the 1 January 2026 effective date of the standard.</p>
IPSAS 49	<p>IPSAS 49: Retirement benefit plans, aligns to International Accounting Standard 26: Accounting and reporting by retirement benefit plans, and prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. A retirement benefit plan that prepares and presents financial statements under the accrual basis of accounting shall apply IPSAS 49. The standard does not deal with other forms of employment benefits such as employment termination benefits or health and welfare plans.</p> <p>Adoption of the standard is mandatory for financial year ending 31 December 2026. The assessment is that IPSAS 49 will have no impact on financial reporting of the operations.</p>
IPSAS 50	<p>IPSAS 50: Exploration for and Evaluation of Mineral Resources, is aligned with the International Financial Reporting Standard 6 and provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources, as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. The assessment is that IPSAS 50 will have no impact on financial reporting of the operations.</p>

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**Note 3**  
**Significant accounting policies**

*Financial assets measurement and classification*

18. The classification of financial assets depends primarily on the purpose for which the financial assets are acquired. The organization classifies its financial assets in one of the categories shown below at initial recognition and re-evaluates the classification at each reporting date.

<i>Classification</i>	<i>Financial assets</i>
Fair value through net assets / equity	Investments in cash pools
Amortized cost	Cash and cash equivalents and receivables

19. All financial assets are initially measured at fair value. The organization initially recognizes financial assets classified as loans and receivables on the date on which they originated. All other financial assets are recognized initially on the trade date, which is the date on which the organization becomes party to the contractual provisions of the instrument.

20. 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 currencies are translated into United States dollars at the United Nations operational rates of exchange prevailing at the reporting date, with net gains or losses recognized in surplus or deficit in the statement of financial performance.

21. Financial assets at fair value through surplus or deficit are those that either have been designated in this category at initial recognition or are held for trading or are acquired principally for the purpose of selling in the short term. With the adoption of IPSAS 41, financial assets previously designated at fair value through surplus or deficit have been reclassified to fair value through net assets/ equity after an assessment of their contractual cash flow characteristics and the determination of the Organization's management model, which is to both collect contractual cash flows and sell the financial assets. These assets are measured at fair value at each reporting date, and any gains or losses arising from changes in the fair value are now presented within a fair value reserve in the statement of net assets in the year in which they arise.

22. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus transaction costs and subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset.

23. Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in value of the asset. Impairment losses are recognized in the statement of financial performance in the year in which they arise.

24. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the organization has transferred substantially all risks and rewards of the financial asset. Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is

an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

*Financial assets: investment in cash pools*

25. The United Nations Treasury invests funds pooled from the United Nations Secretariat entities and other participating entities, including UNEP. These pooled funds are combined in two internally managed cash pools. Participation in the cash pools implies sharing the risk and returns on investments with the other participants. Since the funds are commingled and invested on a pool basis, each participant is exposed to the overall risk of the investment portfolio to the extent of the amount of cash invested.

26. The organization's investment in the cash pools is included as part of cash and cash equivalents, short-term investments and long-term investments in the statement of financial position, depending on the maturity period of the investments.

27. The investment pools are subject to an expected credit loss assessment for the reporting period, and the assessment is done using Fitch Ratings, which is a provider of credit ratings, research and analysis for the global financial markets. The expected credit loss on investments is calculated using the Fitch default rating with a combination of the Fitch issuer rating and the type of issuer. The historical default rates are derived by Fitch using historical data over a period of 3 years. The Fitch rating by type of issuer is obtained for each investment position. The default rate is obtained from the transition matrix for the specific type of issuer (e.g., supranational, sovereign and corporate).

28. Due to the conservative and risk averse investment strategy/model, the United Nations only invests in highly rated instruments. Consequently, most of the investments carry a zero-default rating and there is no history of non-collection. The Organization will therefore assess expected credit loss at the end of each reporting period and recognize an impairment loss only if material.

*Financial assets: cash and cash equivalents*

29. Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

*Financial assets: receivables from non-exchange transactions – contributions receivable*

30. Contributions receivables represent uncollected revenue from assessed and voluntary contributions committed to the organization by Member States, non-member States and other donors on the basis of enforceable agreements. These non-exchange receivables are stated at nominal value, less impairment for estimated irrecoverable amounts, that is, the loss allowance. Voluntary contributions receivable that will mature in more than 12 months are reported at a discounted value calculated using the effective interest method.

31. Voluntary contributions receivable and other receivables are subject to impairment using the expected credit loss model applicable to the donor or customer type.

*Financial assets: Assessed contributions receivable*

32. For assessed contributions receivable, the loss allowance is calculated using objective historical evidence of collections of the portfolio of receivables.

33. For ongoing IPSAS 41 compliance, payment data are monitored for any indication of changes in payment patterns. Where data is indicative of expected credit loss, loss allowance is recognized in accordance with IPSAS 41.

34. The forward-looking model applies historical percentages of previous credit losses as the basis for determining the expected credit losses of receivable balances. This historical percentage is updated at each year-end. The UN operates in a worldwide environment with dynamic macroeconomic variables, it is therefore difficult to factor the worldwide GDP growth rate in the calculation of the loss allowance. Based on the analysis of historical data of collection history of assessed contributions receivables, no expected credit loss has been established for such receivables where no historical evidence of any loss pattern for Member States exists.

*Financial assets: Voluntary contribution receivable*

35. Voluntary contribution receivables have distinct characteristics compared to conventional receivables classified as financial assets. These distinctions include:

- (a) Variability in amounts: Due to the voluntary nature, the amounts associated with voluntary contribution receivables can vary, as they may fluctuate based on future funding requirements for project implementation and the intentions of donors.
- (b) Flexible due date: Due dates for voluntary contribution receivables are highly adaptable and subject to adjustment in alignment with the progress of the related project implementation.

36. The inherent variability of the pledged amounts and the flexibility of due dates pose substantial challenges in formulating a reasonable estimation of loss allowance for voluntary contribution receivables. The historical amount of write-off instances over the aggregate value of voluntary contribution receivables is relatively small. The Organisation has therefore assessed loss allowance on voluntary contribution on a case-by-case basis, therefore creating a 100% loss allowance for delinquent receivables which are identified as uncollectible.

37. The non trust funds voluntary contributions receivables and trust funds with partially assessed nature will be assessed for loss allowance from historical payment pattern.

*Financial assets: receivable from exchange transactions – other receivables*

38. Other receivables include primarily amounts receivable for goods or services provided to other entities, amounts receivable for operating lease arrangements, and receivables from staff. Receivables from other United Nations reporting entities are also included in this category.

39. The loss allowance calculation uses a forward-looking model applying historical percentages of previous credit losses as the basis for determining the expected credit losses of receivable balances. This historical percentage is updated at each year end. The United Nations operates in a worldwide environment with dynamic macroeconomic variables, and it is therefore difficult to factor the worldwide gross domestic product growth rate into the calculation of the loss allowance. Other receivables are categorized by customer types with homogeneous characteristics, for example, with the same debt settlement patterns. The evolution of the outstanding balances is analysed over a period of years to determine the historical transition rate of outstanding receivable balances. The transition rate is reassessed at end of each reporting period and applied to the exposure balance to determine the loss allowance.

*Other assets*

40. Other assets include education grant advances and prepayments, including advances for the United Nations Development Programme (UNDP) Service Clearing Account, which are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized.

### *Advance transfers*

41. Advance transfers relate mainly to cash transferred to executing agencies/implementing partners as an advance in order for them to provide agreed goods or services. Advances issued are initially recognized as assets, and then expenses are recognized when goods are delivered or services are rendered by the executing agencies/implementing partners and confirmed by receipt of certified expense reports, as applicable. In some instances where the partner has not provided financial reports as expected, programme managers make an informed assessment as to whether an accrual is needed.

### *Inventories*

42. Inventory balances, if any, are recognized as current assets and include the following categories:

<i>Categories</i>	<i>Subcategories</i>
Held for sale or external distribution	Books and publications, stamps
Raw materials and work in progress associated with items held for sale or external distribution	Construction materials/supplies, work in progress
Strategic reserves	Fuel reserves, bottled water, and rations reserves
Consumables and supplies	Material holdings of consumables and supplies, including spare parts and medicines

43. The cost of inventory in stock is determined using the average price cost basis. The cost of inventories includes the cost of purchase, plus other costs incurred in bringing the items to the destination and condition for use. A standard rate of 14 per cent of the cost of purchase is used in place of actual associated costs incurred. Inventories acquired through non-exchange transactions, that is, donated goods, are measured at fair value at the date of acquisition. Inventories held for sale are valued at the lower of cost and net realizable value. Inventories held for distribution at no or nominal charge or for consumption in the production of goods/services are valued at the lower of cost and current replacement cost.

44. The carrying amount of inventories is expensed when inventories are sold, exchanged, distributed externally, or consumed by the organization. Net realizable value is the net amount that is expected to be realized from the sale of inventories in the ordinary course of operations. Current replacement cost is the estimated cost that would be incurred to acquire the asset.

45. Holdings of consumables and supplies for internal consumption are capitalized in the statement of financial position only when material. Such inventories are valued by the periodic weighted average or the moving average methods based on records available in the inventory management systems, such as Galileo and Umoja, which are validated by thresholds, cycle counts and enhanced internal controls. Valuations are subject to impairment review, which takes into consideration the variances between moving average price valuation and current replacement cost, as well as slow-moving and obsolete items.

46. Inventories are subject to physical verification based on value and risk as assessed by management. Valuations are net of write-downs from cost to current

replacement cost/net realizable value, which are recognized in the statement of financial performance.

*Heritage assets*

47. Heritage assets are not recognized in the financial statements, but significant heritage assets are disclosed in notes to the financial statements.

*Property, plant, and equipment*

48. Property, plant, and equipment are classified into different groups, based on their nature, functions, useful lives and valuation methodologies, such as vehicles; communications and information technology equipment; machinery and equipment; furniture and fixtures; and real estate assets (land, buildings, leasehold improvements, infrastructure, and assets under construction). Recognition of property, plant and equipment is as follows:

(a) Property, plant, and equipment are capitalized when their cost is greater than or equal to the threshold of \$20,000 or \$100,000 for leasehold improvements and self-constructed assets. A lower threshold of \$5,000 applies to five commodity groups: vehicles; prefabricated buildings; satellite communication systems; generators; and network equipment;

(b) All property, plant, and equipment, other than real estate assets, are stated at historical cost, less accumulated depreciation, and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition and the initial estimate of dismantling and site restoration costs. Standard rates ranging from 2 per cent to 40 per cent of the cost of purchase, depending on the location of each office and mission, are used in place of actual associated costs incurred;

(c) Owing to the absence of historical cost information, buildings and infrastructure real estate assets were initially recognized at fair value using a depreciated replacement cost methodology for initial IPSAS implementation. The method involves calculating the cost per unit of measurement, for example the cost per square metre, by collecting construction cost data, utilizing in-house cost data (where available) or using external cost estimators for each catalogue of real estate assets and multiplying that unit cost by the external area of the asset to obtain the gross replacement cost. Depreciation allowance deductions from the gross replacement cost to account for physical, functional, and economic use of the assets have been made to determine the depreciated replacement cost of the assets. With the exception of real estate assets located in the special political missions, any subsequent real estate additions are recognized at historical cost. Effective January 2018, new constructions in the special political missions were recognized at historical cost;

(d) With respect to property, plant and equipment acquired at nil or nominal cost, including donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire equivalent assets.

49. Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method up to their residual value, except for land and assets under construction, which are not subject to depreciation. Given that not all components of a building have the same useful lives or the same maintenance, upgrade or replacement schedules, significant components of owned buildings are depreciated using the component approach. Depreciation begins in the month in which the organization gains control over an asset in accordance with international commercial terms and no depreciation is charged in the month of retirement or disposal. Given the expected pattern of usage of property, plant and equipment, the residual value is nil unless residual value is likely to be significant. The estimated useful lives of property, plant and equipment classes used by the Organization since IPSAS adoption are set out below.

50. As with other accounting estimates and underlying assumptions, estimated useful life assumptions are reviewed on an ongoing basis. Changes in accounting estimates results from new information, new developments, or more experience, for example, adjustment of the periodic consumption of an asset that results from the assessment of the present status of, and expected future benefits associated with assets. Such changes are accounted for as a change in accounting estimate. It is recognised prospectively by including it in surplus or deficit in the period of change and future periods if the change affects both. Such prospective recognition is applied to transactions, other events and conditions from the date of the change in estimate.

51. Following recommendations of the Board of Auditors to review the useful lives of all classes of assets, the Organization carried out a system-wide survey with the support of the Task Force on Accounting Standards and analysed its own historical data on asset utilization, resulting in the revision of useful lives. The updated useful lives have been applied to the Organization's property, plant, and equipment prospectively starting 1 January 2023. The 2022 review of estimated useful lives had the objective to determine if, based on Umoja data and experience to date, revising useful life assumptions for future asset acquisitions would in the future provide more relevant and reliable information. The review concluded that 13 of the 25 asset subclasses in the table below should have revised estimated useful lives. The estimated useful lives of property, plant and equipment classes are set out below.

52. In exceptional cases, the recorded useful lives for some assets may be different from the useful lives prescribed at the asset subclass level as set out above (although it would remain within the range at asset class level), because when preparing the 2014 IPSAS opening balance a thorough review of the remaining economic useful lives for these assets was made and the result had been entered in the master record of the asset. Although the total useful life entered in the asset master record looks beyond standard useful life, the remaining useful life when calculated from the date of capitalization remains within the asset class prescribed range.

53. Where there is a material cost value of fully depreciated assets that are still in use, adjustments to accumulated depreciation and property, plant and equipment are incorporated into the financial statements to reflect a depreciation floor of 10 per cent of historical cost based on an analysis of the classes and useful lives of the fully depreciated assets.

## Estimated useful lives of property, plant and equipment classes

<i>Class</i>	<i>Subclass</i>	<i>Estimated useful life</i>
Communications and information technology equipment	Information technology equipment	4-5 years <sup>a</sup>
	Communications	7-8 years <sup>a</sup>
	Audiovisual equipment	7-10 years <sup>a</sup>
Vehicles	Light-wheeled vehicles	6-7 years <sup>a</sup>
	Marine vessels	10 years
	Specialized vehicles, trailers and attachments	6-12 years
	Heavy-wheeled and engineering support vehicles	12 years
Machinery and equipment	Light engineering and construction equipment	5-8 years <sup>a</sup>
	Medical equipment	5-6 years <sup>a</sup>
	Security and safety equipment	5-6 years <sup>a</sup>
	Mine detection and clearing equipment	5 years
	Water treatment and fuel distribution equipment	7-10 years <sup>a</sup>
	Ground transportation equipment	7-10 years <sup>a</sup>
	Heavy engineering and construction equipment	10-12 years <sup>a</sup>
Furniture and fixtures	Printing and publishing equipment	20 years
	Library reference material	3 years
	Office equipment	4-5 years <sup>a</sup>
	Fixtures and fittings	7-10 years <sup>a</sup>
Buildings	Furniture	10 years
	Temporary and mobile buildings	7-10 years <sup>a</sup>
	Fixed buildings	Up to 50 years
	Major buildings components	Up to 50 years
Infrastructure assets	Finance lease or donated right-to-use buildings	Shorter of term of arrangement or life of building
	Telecommunications, energy, protection, transport, waste and water management, recreation, landscaping	Up to 50 years
Leasehold improvements	Fixtures, fittings and minor construction work	Shorter of lease term or 5 years

<sup>a</sup> In 2023, following the review of the estimates of the periods over which asset subclasses were expected to be available for use, estimated useful lives for thirteen subclasses were increased by between one and three years and one subclass, heavy engineering and construction equipment, was reduced by two years. These changes are applicable for acquisitions on or after 1 January 2023



54. The organization chose the cost model for measurement of property, plant, and equipment after initial recognition instead of the revaluation model. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the organization and the subsequent cost exceeds the threshold for initial recognition. Repairs and maintenance are expensed in the statement of financial performance in the year in which they are incurred.

55. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from its carrying amount. Those gains or losses are recognized in the statement of financial performance within other revenue or other expenses.

56. Impairment assessments are conducted during annual physical verification procedures and when events or changes in circumstance indicate that carrying amounts may not be recoverable. Land, buildings and infrastructure assets with a year-end, net-book-value greater than \$500,000 per unit are reviewed for impairment at each reporting date. The equivalent threshold for other property, plant and equipment items (excluding assets under construction and leasehold improvements) is \$25,000.

#### *Intangible assets*

57. Intangible assets are carried at cost, less accumulated amortization and accumulated impairment loss. For intangible assets acquired at nil or nominal cost, including donated assets, the fair value at the date of acquisition is deemed to be the cost of the asset. The threshold for recognition is \$100,000 for internally generated intangible assets and \$20,000 per unit for externally acquired intangible assets.

58. Acquired computer software licenses are capitalized based on costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with the development of software for use by the organization are capitalized as an intangible asset. Directly associated costs include software development employee costs, consultant costs and other applicable overhead costs.

59. Intangible assets with finite useful lives are amortized on a straight-line method, over their estimated useful lives starting from the month of acquisition or when the intangible assets become operational.

60. The useful lives of major classes of intangible assets have been estimated as shown below.

#### **Estimates of useful lives of major classes of intangible assets**

<i>Class</i>	<i>Range of estimate useful life</i>
Software acquired externally	3–10 years
Software internally developed	3–10 years
Licences and rights	2–6 years (period of licence/right)
Copyrights	3–10 years
Assets under development	Not amortized

61. Annual impairment reviews of intangible assets are conducted where assets are under construction or have an indefinite useful life. Other intangible assets are subject to impairment review only when indicators of impairment are identified.

*Financial liabilities: classification*

62. Financial liabilities are classified as “other financial liabilities”. They include accounts payable, transfers payable, unspent funds held for future refunds and other liabilities such as balances payable to other United Nations system reporting entities. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with a duration of fewer than 12 months are recognized at their nominal value. The Organization re-evaluates the classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled or expired. The adoption of IPSAS 41 has no change on the classification and measurement of the financial liabilities of the Organization.

*Financial liabilities: accounts payable and accrued liabilities*

63. Accounts payable and accrued liabilities arise from the purchase of goods and services that have been received but not paid for as at the reporting date. Payables are recognized and subsequently measured at their nominal value, as they are generally due within 12 months. Transfers payable within this category relate to amounts owed to executing entities/implementing agencies and partners and residual balances due to be returned to donors.

*Funds received in advance and deferred revenue, liabilities for conditional arrangements and other liabilities.*

64. Funds received in advance and deferred revenue consist of advance receipts relating to contributions or payments received in advance, assessments or voluntary contributions received for future years and other deferred revenue. Funds received in advance and deferred revenue are recognized as revenue at the start of the relevant financial year or based on the organization’s revenue recognition policies. Liabilities for conditional arrangements represent liabilities for conditional funding arrangements. Other liabilities include other miscellaneous items.

*Leases: the organization as lessee*

65. Leases of property, plant, and equipment where the organization has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the start of the lease at the lower of fair value or the present value of the minimum lease payments. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with property, plant and equipment policies. The interest element of the lease payment is charged to the statement of financial performance as an expense over the lease term based on the effective interest rate method.

66. Leases where all the risks and rewards of ownership are not substantially transferred to the organization are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance as an expense on a straight-line basis over the term of the lease.

*Leases: the organization as lessor*

67. The organization often leases out assets under operating leases. Leased-out assets are reported under property, plant and equipment, and lease revenue is recognized in the statement of financial performance over the term of the lease on a straight-line basis.

*Donated rights to use*

68. Land, buildings, infrastructure assets, machinery and equipment are frequently granted to the organization, primarily by host Governments at nil or nominal cost, through donated right-to-use arrangements. These arrangements are accounted for as operating leases or finance leases, depending on whether an assessment of the agreement indicates that control over the underlying assets is transferred to the organization.

69. Where a donated right-to-use arrangement is treated as an operating lease, an expense and corresponding revenue equal to the annual rental value of the asset or similar property are recognized in the financial statements. Where a donated right-to-use arrangement is treated as a finance lease (principally with a lease term of over 35 years for premises), the fair market value of the property is capitalized and depreciated over the shorter of the useful life of the property or the term of the arrangement. In addition, a liability for the same amount is recognized, which is progressively recognized as revenue over the lease term. Donated right-to-use land arrangements are accounted for as operating leases where the organization does not have exclusive control over the land and/or title to the land is transferred under restricted deeds.

70. Where title to land is transferred to the organization without restrictions, the land is accounted for as donated property, plant and equipment and recognized at fair value at the acquisition date.

71. The threshold for the recognition of revenue and expense is the yearly rental value equivalent of \$20,000 for donated right-to-use premises and \$5,000 for machinery and equipment.

*Employee benefits*

72. Employees comprise staff members, as described under Article 97 of the Charter of the United Nations, whose employment and contractual relationship with the organization are defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter. Employee benefits are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

*Short-term employee benefits*

73. Short-term employee benefits are employee benefits (other than termination benefits) that are payable within 12 months after the end of the year in which the employee renders the related services. Short-term employee benefits comprise first time employee benefits (assignment grants), regular daily/weekly/monthly benefits (wages, salaries, and allowances), compensated absences (paid sick leave, maternity/paternity leave) and other short-term benefits (death grant, education grant, reimbursement of taxes, and home leave) provided to current employees on the basis of services rendered. All such benefits that are accrued but not paid are recognized as current liabilities within the statement of financial position.

*Post-employment benefits*

74. Post-employment benefits comprise the after-service health insurance plan and end-of-service repatriation benefits that are accounted for as defined-benefit plans, in addition to the pension provided through the United Nations Joint Staff Pension Fund.

*Defined-benefit plans*

75. The following benefits are accounted for as defined-benefit plans: after-service health insurance, repatriation benefits (post-employment benefits) and accumulated annual leave that is commuted to cash upon separation from the organization (other long-term benefits). Defined-benefit plans are those where the organization's obligation is to provide agreed benefits and therefore the organization bears the actuarial risks. The liability for defined-benefit plans is measured at the present value of the defined-benefit obligation. Changes in the liability for defined-benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. The organization has elected to recognize changes in the liability for defined-benefit plans from actuarial gains and losses directly through the statement of changes in net assets. At the end of the reporting year, the organization did not hold any plan assets as defined by IPSAS 39: Employee benefits.

76. The defined-benefit obligations are calculated by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds with maturity dates approximating those of the individual plans.

77. **After-service health insurance.** Worldwide coverage for medical expenses of eligible former staff members and their dependants is provided through after-service health insurance. Upon end of service, staff members and their dependants may elect to participate in a defined-benefit health insurance plan of the United Nations, provided that they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007 and 5 years for those recruited before that date. The after-service health insurance liability represents the present value of the share of the Organization's medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the after-service health insurance valuation is to consider contributions from all plan participants in determining the Organization's residual liability. Contributions from retirees are deducted from the gross liability together with a portion of the contributions from active staff to arrive at the Organization's residual liability in accordance with cost-sharing ratios authorized by the General Assembly.

78. **Repatriation benefits.** Upon end of service, staff members who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to a repatriation grant, which is based on length of service, and travel and removal expenses. A liability is recognized from when the staff member joins the organization and is measured as the present value of the estimated liability for settling these entitlements.

79. **Annual leave.** The liabilities for annual leave represent unused accumulated leave days that are projected to be settled via a monetary payment to employees upon their separation from the organization. The United Nations recognizes as a liability the actuarial value of the total accumulated unused leave days of all staff members, up to a maximum of 60 days (18 days for temporary staff) as at the date of the statement of financial position. The methodology applies a last-in-first-out assumption in the determination of the annual leave liabilities, whereby staff members access current period leave entitlements before they access accumulated annual leave balances relating to prior periods. Effectively, the accumulated annual leave benefit is accessed more than 12 months after the end of the reporting period in which the benefit arose and, overall, there is an increase in the level of accumulated annual leave days, pointing to the commutation of accumulated annual leave to a cash settlement at end of service as the true liability of the organization.

The accumulated annual leave benefit reflecting the outflow of economic resources from the organization at end of service is therefore classified under the category of other long-term benefits, while noting that the portion of the accumulated annual leave benefit that is expected to be settled via monetary payment within 12 months after the reporting date is classified as a current liability. In line with IPSAS 39: Employee benefits, other long-term benefits must be valued similarly to post-employment benefits; therefore, the United Nations values its accumulated annual leave benefit liability as a defined, post-employment benefit that is actuarially valued.

*Pension plan: United Nations Joint Staff Pension Fund*

80. UNEP 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 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.

81. 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. UNEP and the Fund, in line with the other organizations participating in the Fund, are not able to identify the proportionate share of UNEP in the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, UNEP has treated this plan as if it were a defined-contribution plan in line with the requirements of IPSAS 39: Employee benefits. The organization's contributions to the Pension Fund during the financial period are recognized as employee benefit expenses in the statement of financial performance.

*Termination benefits*

82. Termination benefits are recognized as an expense only when the organization is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date or provide termination benefits because of an offer made in order to encourage voluntary redundancy. Termination benefits to be settled within 12 months are reported at the amount expected to be paid. Where termination benefits fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

*Other long-term employee benefits*

83. Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service. Accumulated annual leave is an example of long-term employee benefits.

84. **Appendix D benefits.** Appendix D to the Staff Rules of the United Nations governs compensation in the event of death, injury, or illness attributable to the performance of official duties on behalf of the United Nations. Actuaries value these liabilities and actuarial gains and losses are recognized in the statement of changes in net assets.

### *Provisions*

85. Provisions are liabilities recognized for future expenditure of uncertain amount or timing. A provision is recognized if, because of a past event, the organization has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount required to settle the obligation.

86. Uncommitted balances of the appropriations at the end of the budget period and expired balances of appropriations retained from prior periods are to be reported as provisions for credits to Member States. These provisions will remain until the General Assembly decides the manner of their disposal.

### *Contingent liabilities*

87. Any possible obligations 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 the organization are disclosed as contingent liabilities. Contingent liabilities are also disclosed where present obligations that arise from past events cannot be recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations, or the amount of the obligations cannot be reliably measured.

88. Provisions and contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes more probable that such an outflow will be required, a provision is recognized in the financial statements of the year in which the change of probability occurs. Similarly, where it becomes less probable that such an outflow will be required, a contingent liability is disclosed in the notes to the financial statements.

89. An indicative threshold of \$10,000 applies in recognizing provisions and/or disclosing contingent liabilities in the notes to the financial statements.

### *Contingent assets*

90. Contingent assets are 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 effective control of the organization. Contingent assets are disclosed in the notes when it is more likely than not that economic benefits will flow to the organization.

91. Voluntary pledges and other promised donations that are not supported by binding agreements which include offer and acceptance conditions, or that are supported by agreements that have not yet been formalized by acceptance, are considered contingent assets provided that the receipt is measurable and probable within the subsequent financial period.

### *Commitments*

92. Commitments are future expenses that are to be incurred by the organization on contracts entered by the reporting date and that the organization has minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (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 the organization in future periods, non-cancellable minimum lease payments and other non-cancellable commitments.

*Non-exchange revenue: assessed contributions*

93. Assessed contributions for the organization comprise the UNEP regular budget allocation and the assessed contributions of its multilateral environment conventions and the Multilateral Fund. Assessed contributions are assessed and approved for a budget period of one or more years. The one-year proportion of the assessed contributions is recognized as revenue at the beginning of the year.

Assessed contributions include the amounts assessed on Member States and non-member States to finance the activities of the organization in accordance with the agreed scale of assessments. Revenues from assessed contributions from Member States and from non-member States are presented in the statement of financial performance.

*Non-exchange revenue: voluntary contributions*

94. Voluntary contributions and other transfers that are supported by legally enforceable agreements are recognized as revenue at the time the agreement becomes binding, which is the point when the organization is deemed to acquire control of the asset. However, where cash is received subject to specific conditions or when contributions are explicitly given for a specific operation to commence in a future financial year, recognition is deferred until those conditions have been satisfied. Revenue will be recognized up front for all conditional arrangements up to the threshold of \$50,000.

95. Voluntary pledges and other promised donations are recognized as revenue when the arrangement becomes binding. These, as well as agreements not yet formalized by acceptance, are disclosed as contingent assets. For unconditional multi-year agreements the full amount is recognized as revenue when the agreement becomes binding.

96. Unused funds returned to the donor are netted against revenue.

97. Revenue received under inter-organizational arrangements represents allocations of funding from agencies to enable the organization to administer projects or other programmes on their behalf.

98. In-kind contributions of goods above the recognition threshold of \$20,000 (per discrete contribution) are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the organization and the fair value of those assets can be measured reliably. For vehicles, prefabricated buildings, satellite communication systems, generators and network equipment, a lower threshold of \$5,000 applies. Contributions in kind are initially measured at their fair value at the date of receipt determined by reference to observable market values or by independent appraisals. The organization has elected not to recognize in-kind contributions of services but to disclose in-kind contributions of services above the threshold of \$20,000 per discrete contribution in the notes to the financial statements.

*Exchange revenue*

99. Exchange transactions are those in which the organization sells goods or services. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met, as follows:

(a) Revenue from sales of publications, books and stamps and by the United Nations Gift Shop and Visitor Centre is recognized when the sale occurs, and risks and rewards have been transferred;

(b) Revenue from commissions and fees for technical, procurement, training, administrative and other services rendered to Governments, United Nations entities and other partners, including the Global Environment Fund, is recognized when the service is performed, as a practical expedient, operationally, revenue may be billed in advance, with service provision following shortly thereafter.

(c) Exchange revenue also includes income from the rental of premises, net gains on the sale of used or surplus property, plant and equipment, income from services provided to visitors in relation to guided tours, and income from net gains resulting from currency exchange adjustments.

(d) An indirect cost recovery or “programme support cost” is charged to trust funds as a percentage of direct costs, including commitments and other “extrabudgetary” activities, to ensure that the additional costs of supporting activities financed from extrabudgetary contributions are not borne by assessed funds and/or other core resources of the Secretariat. The programme support cost is eliminated for the purposes of financial statement preparation, as disclosed in note 4, “Segment reporting”. The funding for the programme support cost charge agreed upon with the donor is included as part of voluntary contributions.

#### *Investment revenue*

100. Investment revenue includes the organization’s share of net cash pool revenue and other interest revenue. Net cash pool revenue includes any gains and losses on the sale of investments, which are calculated as the difference between sales proceeds and book value. Transaction costs that are directly attributable to investment activities are netted against revenue, and the net revenue is distributed proportionately to all cash pool participants on the basis of their average daily balances.

#### *Expenses*

101. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

102. Employee salaries include international, national, and general temporary staff salaries, post adjustments and staff assessments. The allowances and benefits include other staff entitlements, including pension and insurance, staff assignment, repatriation, hardship, and other allowances. Non-employee compensation and allowances consist of United Nations Volunteers living allowances and post-employment benefits, consultant and contractor fees, ad hoc experts, International Court of Justice judges’ allowances and non-military personnel compensation and allowances.

103. Other operating expenses include acquisition of goods and intangible assets under capitalization thresholds, foreign exchange losses, maintenance, utilities, contracted services, training, security services, shared services, rent, insurance and loss allowance. Other expenses relate to contributions in kind, hospitality and official functions and donations or transfers of assets.

104. Grants and other transfers include outright grants and transfers to implementing agencies, partners and other entities as well as quick-impact projects. For outright grants, an expense is recognized at the point at which the organization has a binding obligation to pay.

105. Supplies and consumables relate to the cost of inventory used and expenses for supplies and consumables.



106. Programme activities, distinct from commercial or other arrangements where the United Nations expects to receive equal value for funds transferred, are implemented by executing entities/implementing partners to service a target population that typically includes Governments, non-governmental organizations and United Nations agencies. Transfers to implementing partners are initially recorded as advances, and balances that are not expensed during the year remain outstanding at the end of the year and are reported in the statement of financial position. These executing entities/implementing partners provide the organization with certified expense reports documenting their use of resources, which are the basis for recording expenses in the statement of financial performance. In instances where the partner has not provided financial reports as expected, programme managers make an informed assessment as to whether an accrual or an impairment should be recorded against the advance and submit the accounting adjustment. Where a transfer of funds is deemed to be an outright grant, an expense is recognized at the point that the organization has a binding obligation to pay, which is generally upon disbursement. Binding agreements to fund executing entities/implementing partners not paid out by the end of the reporting period are shown as commitments in the notes to the financial statements.

#### *Multi-partner trust funds*

107. Multi-partner trust fund activities are pooled resources from multiple financial partners that are allocated to multiple implementing entities to support specific national, regional or global development priorities.

108. They are assessed to determine the existence of control and whether the organization is considered to be the principal of the programme or activity. Where control exists and the organization is exposed to the risks and rewards associated with the multi-partner trust fund activities, such programmes or activities are considered to be the organization's operations and are therefore reported in full in the financial statements.

109. Where joint control exists but the Organization is not considered to be the principal, the activities are considered joint operations and accounted for as described above.

### **Note 4**

#### **Prior period reclassification**

110. During the financial year ended 31 December 2023, the Organization adopted a policy of measuring its investments at fair value through net asset/equity. This change aligns with the requirements of IPSAS 41, Financial Instruments. As a result of this change, a revaluation loss of \$6.1 million was reclassified from accumulated surplus unrestricted to reserves. The reclassification made as of 1 January 2024 represents the initial adjustment to reflect the fair value of the investments separately. There was no material impact on the financial statements other than a reclassification of the fair value reserve from accumulated surplus, within net assets.

### **Note 5**

#### **Segment reporting**

111. A segment is a distinguishable activity or group of activities for which financial information is reported separately to evaluate an entity's past performance in achieving its objectives and for making decisions about the future allocation of resources. The segments for UNEP are established by the grouping of trust funds that finance activities that are of a similar nature or are aimed at achieving operating objectives consistent with its overall mission or are under similar governance structure.

112. Segment reporting information is provided on the basis of seven segments:

(a) **Environment Fund.** The segment comprises the core trust funds of the Environment Fund, namely the programme of work, the programme reserve and programme support;

(b) **Regular budget.** The segment relates to all activities funded by the United Nations regular budget allocations to UNEP;

(c) **Other support to the UNEP programme of work.** The segment comprises all other voluntary contributions trust funds managed by UNEP in support of the programme of work activities, including the Global Environment Fund, the Green Climate Fund, programme cooperation agreements and trust funds for Junior Professional Officers;

(d) **Conventions and protocols.** The segment relates to all assessed and voluntary contribution trust funds for multilateral environment agreements and protocols that are administered by UNEP;

(e) **Multilateral Fund.** The segment relates to the activities for the implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer by the implementing partners of the Multilateral Fund;

(f) **Programme support.** The segment comprises the trust funds for the programme support account and the cost recovery account;

(g) **End-of-service and post-retirement benefits.** The segment comprises the trusts for after-service health insurance, annual leave, and repatriation benefits.

113. Both the statement of financial position and the statement of financial performance are as shown below.

# All funds: statement of financial position for the period ended 31 December 2024, by segment.

(Thousands of United States dollars)

	<i>Environment Fund (Annex I)</i>	<i>Regular budget</i>	<i>Other support to UNEP programme of work (Annex II)</i>	<i>Conventions and protocols (Annex III)</i>	<i>Multilateral Fund (Annex IV)</i>	<i>Programme support (Annex V)</i>	<i>End-of-service and post- retirement benefits (Annex VI)</i>	<i>Intersegment eliminations</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents	6 451	–	97 144	22 627	78 830	5 503	15 748	–	226 303	252 090
Investments	38 649	–	583 559	135 911	473 546	32 995	94 605	–	1 359 265	1 300 298
Assessed contributions receivable	–	–	–	6 675	12 968	–	–	–	19 643	42 447
Voluntary contributions receivable	10 878	–	345 927	26 835	–	32	–	–	383 672	394 228
Other receivables	57	–	77	707	291	168	–	(865)	435	773
Advance transfers	862	–	218 846	16 392	86 984	385	–	(23 743)	299 726	299 333
Other assets	7 038	–	20 236	5 790	194	1 270	–	–	34 528	28 254
<b>Total current assets</b>	<b>63 935</b>	<b>–</b>	<b>1 265 789</b>	<b>214 937</b>	<b>652 813</b>	<b>40 353</b>	<b>110 353</b>	<b>(24 608)</b>	<b>2 323 572</b>	<b>2 317 423</b>
<b>Non-current assets</b>										
Investments	14 136	–	213 433	49 708	173 196	12 068	34 601	–	497 142	406 745
Assessed contributions receivable	–	–	–	–	–	–	–	–	–	–
Voluntary contributions receivable	–	–	853 529	11 401	–	–	–	–	864 930	701 237
Advance transfers	–	–	–	–	148 584	–	–	(51 941)	96 643	58 119
Property, plant and equipment	1 089	–	15	842	–	239	–	–	2 185	1 884
Intangible assets	–	–	29	–	–	–	–	–	29	36
<b>Total non-current assets</b>	<b>15 225</b>	<b>–</b>	<b>1 067 006</b>	<b>61 951</b>	<b>321 780</b>	<b>12 307</b>	<b>34 601</b>	<b>(51 941)</b>	<b>1 460 929</b>	<b>1 168 021</b>
<b>Total assets</b>	<b>79 160</b>	<b>–</b>	<b>2 332 795</b>	<b>276 888</b>	<b>974 593</b>	<b>52 660</b>	<b>144 954</b>	<b>(76 549)</b>	<b>3 784 501</b>	<b>3 485 444</b>
<b>Liabilities</b>										
<b>Current liabilities</b>										
Accounts payable and accrued liabilities	2 196	–	44 197	6 033	266	79	–	–	52 771	34 092
Funds received in advance/deferrals	–	–	32 522	7 841	113 561	–	–	–	153 924	126 277
Employee benefits liabilities	3 212	–	3 662	1 593	239	940	7 723	–	17 369	13 519

	<i>Environment Fund (Annex I)</i>	<i>Regular budget</i>	<i>Other support to UNEP programme of work (Annex II)</i>	<i>Conventions and protocols (Annex III)</i>	<i>Multilateral Fund (Annex IV)</i>	<i>Programme support (Annex V)</i>	<i>End-of-service and post- retirement benefits (Annex VI)</i>	<i>Intersegment eliminations</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Provisions	6	–	8	–	–	–	–	–	14	–
Liabilities for conditional arrangements	–	–	103 559	28 535	–	–	–	–	132 094	147 307
Other liabilities	–	–	240	625	–	–	–	(865)	–	–
<b>Total current liabilities</b>	<b>5 414</b>	<b>–</b>	<b>184 188</b>	<b>44 627</b>	<b>114 066</b>	<b>1 019</b>	<b>7 723</b>	<b>(865)</b>	<b>356 172</b>	<b>321 195</b>
<b>Non-current liabilities</b>		–								
Employee benefits liabilities	–	–	–	–	–	–	233 923	–	233 923	220 135
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>233 923</b>	<b>–</b>	<b>233 923</b>	<b>220 135</b>
<b>Total liabilities</b>	<b>5 414</b>	<b>–</b>	<b>184 188</b>	<b>44 627</b>	<b>114 066</b>	<b>1 019</b>	<b>241 646</b>	<b>(865)</b>	<b>590 095</b>	<b>541 330</b>
<b>Total net of total assets and total liabilities</b>	<b>73 746</b>	<b>–</b>	<b>2 148 607</b>	<b>232 261</b>	<b>860 527</b>	<b>51 641</b>	<b>(96 692)</b>	<b>(75 684)</b>	<b>3 194 406</b>	<b>2 944 114</b>
<b>Net assets</b>										
Accumulated surpluses/(deficits): unrestricted	53 816	–	2 149 646	219 478	861 368	45 300	(96 523)	(75 684)	3 157 401	2 904 861
Fair value reserves	(70)	–	(1 039)	(241)	(841)	(59)	(169)	–	(2 419)	–
Reserves	20 000	–	–	13 024	–	6 400	–	–	39 424	39 253
<b>Total net assets</b>	<b>73 746</b>	<b>–</b>	<b>2 148 607</b>	<b>232 261</b>	<b>860 527</b>	<b>51 641</b>	<b>(96 692)</b>	<b>(75 684)</b>	<b>3 194 406</b>	<b>2 944 114</b>

# All funds: statement of financial performance for the period ended 31 December 2024, by segment

(Thousands of United States dollars)

	<i>Environment Fund (Annex I)</i>	<i>Regular budget</i>	<i>Other support to UNEP programme of work (Annex II)</i>	<i>Conventions and protocols (Annex III)</i>	<i>Multilateral Fund (Annex IV)</i>	<i>Programme support (Annex V)</i>	<i>End-of- service and post- retirement benefits (Annex VI)</i>	<i>Intersegment eliminations</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Segment revenue</b>										
Assessed contributions	–	24 011	–	62 413	169 469	–	–	–	255 893	242 386
Voluntary contributions	70 466	–	283 018	34 097	–	25	–	–	387 606	411 483
Other transfers and allocations	–	–	373 749	7 434	–	–	–	(45 014)	336 169	225 222
Investment revenue	3 009	–	40 372	10 286	44 064	2 044	6 036	–	105 811	78 949
Other revenue	400	–	11 326	3 496	679	49 120	19 788	(68 444)	16 365	17 437
<b>Total revenue</b>	<b>73 875</b>	<b>24 011</b>	<b>708 465</b>	<b>117 726</b>	<b>214 212</b>	<b>51 189</b>	<b>25 824</b>	<b>(113 458)</b>	<b>1 101 844</b>	<b>975 477</b>
<b>Segment expense</b>										
Employee salaries, allowances and benefits	71 215	23 061	72 906	52 348	4 668	20 393	10 367	(19 691)	235 267	212 186
Non-employee compensation and allowances	9 235	320	64 092	5 550	380	2 853	–	(223)	82 207	66 944
Grants and other transfers	5 139	127	271 098	27 558	103 849	165	–	(44 609)	363 327	306 739
Supplies and consumables	73	3	118	99	3	(2)	–	–	294	345
Depreciation	91	1	18	185	29	39	–	–	363	320
Amortization	–	–	7	–	–	–	–	–	7	17
Travel	4 696	163	24 642	15 376	515	617	–	(405)	45 604	42 413
Other operating expenses	13 434	326	64 041	33 721	25 601	15 458	8	(48 530)	104 059	64 868
Exchange losses from the fixed exchange rate mechanism	–	–	–	–	889	–	–	–	889	2 728
Other expenses	2	10	27	19	–	–	–	–	58	82
<b>Total segment expenses</b>	<b>103 885</b>	<b>24 011</b>	<b>496 949</b>	<b>134 856</b>	<b>135 934</b>	<b>39 523</b>	<b>10 375</b>	<b>(113 458)</b>	<b>832 075</b>	<b>696 642</b>
<b>Surplus/(deficit) for the year</b>	<b>(30 010)</b>	<b>–</b>	<b>211 516</b>	<b>(17 130)</b>	<b>78 278</b>	<b>11 666</b>	<b>15 449</b>	<b>–</b>	<b>269 769</b>	<b>278 835</b>

## Note 6 Comparison to budget

114. UNEP prepares its budget on a modified cash basis, while expenses are presented on accrual basis in the financial statements. The statement of comparison of budget and actual amounts presented in the financial statement as statement V, provides the differences between budget amounts and actual expenditure on a comparable basis.

115. Approved budgets are those that authorize the expenditure to be incurred and are approved by the United Nations Environment Assembly (UNEA). For IPSAS purposes, the approved budget relates to appropriations approved by UNEA resolutions.

116. The original annual budget is the proportion of the 2024–2025 biennium budget approved by UNEA, while the final budget is the revised annual budget approved by the Executive Director. The original biennial budget is based on the projections of past expenditure and contributions trends, while the final annual budget is the revised budget based on the fund balances from prior years including the expected collections for the year.

117. Material differences between the final budget and actual expenditure on a modified cash basis are deemed to be those greater than 10 per cent and are attributable to:

- (a) In line with UNEP's Medium-Term Strategy for 2022-2025 and the adoption of the Integrated Planning, Management and Reporting (IPMR), solution of the Umoja system, to enable UNEP to benefit from the system, the annual allocation was issued in tranches that focused on the delivery of programmatic priorities.
- (b) The cyclical nature of activities that occur in the second year of the biennium. The variances in the financial statement are mainly attributed to a mix of cost-saving initiatives, rescheduling of project activities, and strategic fund reallocations.

Savings and overruns are carried over to 2025, when the implementation is expected to increase.

### *Reconciliation between actual amounts on a comparable basis and the statement of cash flows*

118. The reconciliation between the actual amounts on a comparable basis in the statement of comparison of budget and actual amounts and the actual amounts in the statement of cash flows is shown below.

### **Reconciliation for the year ended 31 December 2024**

(Thousands of United States dollars)

<i>Reconciliation</i>	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total 2024</i>
Actual amounts on comparable basis (statement V)	(116 983)	–	–	(116 983)
Basis differences	(243 716)	(726)	–	(244 462)
Entity differences	(704 179)	–	–	(704 179)
Timing differences	–	–	–	–
Presentation differences	1 101 844	(43 553)	(18 454)	1 039 837
<b>Actual amount in statement of cash flows (statement IV)</b>	<b>36 946</b>	<b>(44 279)</b>	<b>(18 454)</b>	<b>(25 787)</b>

119. Basis differences capture the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results to the

statement of cash flows, the non-cash elements such as unliquidated obligations, payments against prior-year obligations, property, plant and equipment and outstanding assessed contributions are included as basis differences.

120. Entity differences represent cash flows of fund groups other than the organization that are reported in statement V of the financial statements. The financial statements include results for all fund groups.

121. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. For the purposes of comparison of budget and actual amounts, there are no timing differences for the organization.

122. Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts, which are related primarily to the non-recording income in statement V and the net changes in cash pool balances. Other presentation differences are that the amounts included in the statement of comparison of budget and actual amounts are not segregated into operating, investing and financing activities.

## Note 7

### Cash and cash equivalents

(Thousands of United States dollars)

	31 December 2024	31 December 2023
Cash at bank and on hand	33	22
Cash pool cash and term deposits	226 270	252 068
<b>Total cash and cash equivalents</b>	<b>226 303</b>	<b>252 090</b>

123. Cash and cash equivalents include trust fund monies which are for the specific purposes of the respective trust funds.

## Note 8

### Investments

(Thousands of United States dollars)

	31 December 2024	31 December 2023
Current cash pool	1 359 265	1 300 298
Non-current cash pools	497 142	406 745
<b>Total</b>	<b>1 856 407</b>	<b>1 707 043</b>

124. Investments include amounts in relation to trust funds and funds held in trust.

## Note 9

### Assessed contributions: receivables from non-exchange transactions

(Thousands of United States dollars)

	<i>Current</i>	<i>Non-current</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Assessed contributions – Member State	256 654	–	256 654	253 559
Assessed contributions – Non-Member State	13	–	13	12
<b>Total assessed contributions receivable before expected credit loss allowance</b>	<b>256 667</b>	<b>–</b>	<b>256 667</b>	<b>253 571</b>
Expected credit loss allowance – Member State	(237 013)	–	(237 013)	(211 113)
Expected credit loss allowance – Non-Member State	(11)	–	(11)	(11)
<b>Total expected credit loss allowance for receivables</b>	<b>(237 024)</b>	<b>–</b>	<b>(237 024)</b>	<b>(211 124)</b>
<b>Total assessed contributions receivable</b>	<b>19 643</b>	<b>–</b>	<b>19 643</b>	<b>42 447</b>

## Note 10

### Voluntary contributions: receivables from non-exchange transactions

(Thousands of United States dollars)

	<i>Current</i>	<i>Non-current</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
Member States	75 771	42 441	118 212	137 476
Other governmental organizations	23 082	11 466	34 548	33 403
United Nations organizations	160 587	717 454	878 041	735 276
Private donors	129 317	93 569	222 886	195 011
<b>Total voluntary contributions receivable before allowance</b>	<b>388 757</b>	<b>864 930</b>	<b>1 253 687</b>	<b>1 101 166</b>
Expected credit loss allowance for receivables	(5 085)	–	(5 085)	(5 701)
<b>Total voluntary contributions receivable</b>	<b>383 672</b>	<b>864 930</b>	<b>1 248 602</b>	<b>1 095 465</b>

## Note 11

### Other receivable: receivables from exchange transactions and loans

(Thousands of United States dollars)

	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Current other receivables</b>		
Value added tax recoverable	278	280
Other receivables from United Nations agencies, funds and programmes	745	686
Other exchange accounts receivable	31	406
Loans receivable	–	–
<b>Subtotal</b>	<b>1 054</b>	<b>1 372</b>
Expected credit loss allowance for receivables	(619)	(599)
<b>Total other receivables (current)</b>	<b>435</b>	<b>773</b>



## Note 12 Advance transfers

(Thousands of United States dollars)

	31 December 2024	31 December 2023
Advance transfers (current)	299 726	299 333
Advance transfers (non-current)	96 643	58 119
<b>Total advance transfers</b>	<b>396 369</b>	<b>357 452</b>

## Note 13 Other assets

(Thousands of United States dollars)

	31 December 2024	31 December 2023
Advances to UNDP and other United Nations agencies <sup>a</sup>	18 449	17 765
Advances to vendor	6 670	974
Advances to staff	5 255	3 696
Advances to other personnel	-	16
Deferred charges	4 018	3 755
Other assets; other	136	2 048
<b>Total other assets</b>	<b>34 528</b>	<b>28 254</b>

<sup>a</sup> Includes the UNDP Service Clearing Account and advances to other entities to provide administrative services and operational support.

## Note 14 Heritage assets

125. Certain assets are categorized as heritage assets because of their cultural, educational or historical significance. The organization's heritage assets were acquired over many years by various means, including purchase, donation and bequest. These heritage assets do not generate any future economic benefits or service potential; accordingly, the organization elected not to recognize heritage assets in the statement of financial position.

126. The organization does not have any additional heritage assets within the reporting period to disclose.

## Note 15 Property, plant and equipment

127. In accordance with IPSAS 17, opening balances are initially recognized at cost or fair value as at 1 January 2014 and measured at cost thereafter. The opening balance of buildings was obtained on 1 January 2014, on the basis of depreciated replacement cost, and was validated by external professionals. Machinery and equipment are valued using the cost method.

128. During the year, the organization did not write down property, plant and equipment on account of accidents, malfunctions and other losses. As at the reporting date, the organization did not identify any additional impairment.

## Property, plant and equipment

(Thousands of United States dollars)

	<i>Building</i>	<i>Leasehold Improvements</i>	<i>Furniture and fixtures</i>	<i>Communication and IT equipment</i>	<i>Vehicles</i>	<i>Machinery and equipment</i>	<i>Total</i>
<b>Cost as at 1 January 2024</b>	840	578	414	1 755	802	75	4 464
Additions	–	304	7	103	312	–	726
Disposals	(6)	–	(278)	(473)	(325)	–	(1 082)
Transfers	–	–	–	–	–	–	–
<b>Cost as at 31 December 2024</b>	<b>834</b>	<b>882</b>	<b>143</b>	<b>1 385</b>	<b>789</b>	<b>75</b>	<b>4 108</b>
<b>Accumulated depreciation as at 1 January 2024</b>	<b>(183)</b>	<b>(125)</b>	<b>(367)</b>	<b>(1 241)</b>	<b>(648)</b>	<b>(18)</b>	<b>(2 582)</b>
Depreciation	(21)	(116)	(31)	(124)	(58)	(13)	(363)
Transfers	–	–	–	–	–	–	–
Disposals	6	–	278	464	274	–	1 022
Other changes	–	–	–	–	–	–	–
<b>Accumulated depreciation as at 31 December 2024</b>	<b>(198)</b>	<b>(241)</b>	<b>(120)</b>	<b>(901)</b>	<b>(432)</b>	<b>(31)</b>	<b>(1 923)</b>
<b>Net carrying amount as at 31 December 2023</b>	<b>657</b>	<b>453</b>	<b>47</b>	<b>514</b>	<b>155</b>	<b>58</b>	<b>1 884</b>
<b>Net carrying amount as at 31 December 2024</b>	<b>636</b>	<b>641</b>	<b>23</b>	<b>484</b>	<b>357</b>	<b>44</b>	<b>2 185</b>

### Note 16

#### Intangible assets

129. All intangible assets acquired before 1 January 2014, except for the capitalized costs associated with the Umoja project, are subject to the IPSAS transition exemption and are therefore not recognized.

(Thousands of United States dollars)

	<i>Software acquired externally</i>	<i>Licences and rights</i>	<i>Umoja</i>	<i>Other</i>	<i>Total</i>
<b>Cost as at 1 January 2024</b>	<b>393</b>	–	–	–	<b>393</b>
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
<b>Cost as at 31 December 2024</b>	<b>–</b>	–	–	–	<b>–</b>
<b>Accumulated amortization as at 1 January 2024</b>	<b>(357)</b>	–	–	–	<b>(357)</b>
Amortization	(7)	–	–	–	(7)
Disposals	–	–	–	–	–
Other Changes	–	–	–	–	–
<b>Accumulated amortization as at 31 December 2024</b>	<b>(364)</b>	–	–	–	<b>(364)</b>
<b>Net carrying amount 31 December 2023</b>	<b>–</b>	–	–	–	<b>–</b>
<b>Net carrying amount 31 December 2024</b>	<b>29</b>	–	–	–	<b>29</b>

**Note 17**  
**Accounts payable and accrued liabilities**

(Thousands of United States dollars)

	<i>31 December 2024</i>	<i>31 December 2023</i>
Vendor payables (accounts payable)	9 462	4 618
Transfers payable	–	–
Payables to Member States	1 693	2 749
Payables to other United Nations entities	7 912	6 285
Accruals for goods and services	18 887	10 259
Accounts payable – other	14 817	10 181
<b>Total accounts payable and accrued liabilities</b>	<b>52 771</b>	<b>34 092</b>

**Note 18**  
**Funds received in advance and deferred revenue**

(Thousands of United States dollars)

	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Current advance receipts</b>		
Funds received in advance	121 536	97 091
Deferred revenue, GEF Agency Fees	32 388	29 186
<b>Total funds received in advance and deferred revenue</b>	<b>153 924</b>	<b>126 277</b>

**Note 19**  
**Employee benefits liabilities**

(Thousands of United States dollars)

	<i>Current</i>	<i>Non-current</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
After-service health insurance	2 577	196 061	198 638	183 539
Annual leave	1 837	13 941	15 778	16 308
Repatriation benefits	3 309	23 921	27 230	27 907
Subtotal defined-benefit liabilities	<b>7 723</b>	<b>233 923</b>	<b>241 646</b>	<b>227 754</b>
Accrued salaries and allowances	9 606	–	9 606	5 871
Pension contributions liabilities	40	–	40	28
Insurance Liabilities	–	–	–	1
<b>Total employee benefits liabilities</b>	<b>17 369</b>	<b>233 923</b>	<b>251 292</b>	<b>233 654</b>

130. The liabilities arising from end-of-service/post-employment benefits and the workers' compensation programme under Appendix D to the Staff Rules of the United Nations are determined by independent actuaries in accordance with IPSAS 39: Employee benefits. The full actuarial valuation for after-service health insurance, annual leave and repatriation benefits is usually undertaken every two years with rolled forward valuation performed between full valuation cycles. The most recent full actuarial valuation was conducted as at 31 December 2023, while actuarially valued balances as of 31 December 2024 represent a roll-forward of the December 2023 valuation results.

131. The after-service health insurance programme provides eligible staff members with continued health insurance coverage throughout their retirement under the same health insurance schemes available to active United Nations staff. Premium rates established for all such health plans are reviewed and, where necessary, revised annually to ensure that a sufficient level of operational reserves is available to maintain each plan.

132. The General Assembly establishes contribution ratios for the United Nations health insurance plans between the share of the Organization and that of the staff. Currently, contribution ratios between the Organization and active and retired staff for the health insurance plans are: 2 to 1 for all United States-based plans, 1 to 1 for non-United States-based plans administered by Headquarters, and 3 to 1 for the Medical Insurance Plan.

133. The after-service health insurance programme is funded on a pay-as-you-go basis for assessed funding sources as medical benefits are accessed by retirees, with increasing cost attributable mainly to changing demographics, improved life expectancy and increased cost of health-care services. To address the growing costs of health insurance, the Organization has over the years adopted cost containment initiatives while ensuring that participants continue to have access to appropriate insurance coverage to meet their health-care needs. Health insurance costs are controlled by the manner in which the plans are structured and through ongoing reviews of plan provisions and benefits offered. To manage the inherent risks related to funding, the Organization periodically carries out a funding study of the after-service health insurance programme to analyse and explore options for the improvement of efficiency and the containment of costs and liabilities associated with the Organization's health insurance obligations.

#### *Actuarial valuation: Main assumptions*

134. The organization reviews and selects assumptions and methods used by the actuaries in the year-end valuation to determine the expense and contribution requirements for employee benefits. The principal actuarial assumptions used to determine the employee benefit obligations as at 31 December 2024 and 31 December 2023 are as follows.

#### **Actuarial assumptions**

(Percentage)

<i>Assumptions</i>	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>
Discount rates as at 31 December 2024	3.73	5.56	5.10
Discount rates as at 31 December 2023	3.56	4.95	4.93
Inflation as at 31 December 2024	2.15-9.00	2.50	—
Inflation as at 31 December 2023	2.35-8.00	2.30	—

135. The yield curves used in the calculation of the discount rates in respect of the United States dollars, the euro and the Swiss franc are those developed by Aon Hewitt, a human capital and management consulting firm, consistent with the recommendation of the United Nations Task Force on Accounting Standards to harmonize actuarial assumptions across the United Nations system.

136. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The health-care cost trend rate assumption is revised to reflect the current short-term expectations of the after-service health insurance plan cost increases and the economic environment. Medical cost trend assumptions used for the valuation as at 31 December 2024 were updated to include escalation rates for future years. As at 31 December 2024, these escalation rates were at 6.90 per cent (2023: 7.70 per cent), 6.00 per cent (2023: 8.00 per cent) and 9.00 per cent (2023: 8.00 per cent)

for eurozone, Swiss and all other medical plans respectively, except 8.85 per cent (2023: 7.40 per cent) for the United States Medicare plan and 6.80 per cent (2023: 7.80 per cent) for the United States dental plan, grading down to 3.85 per cent (2023: 3.95 per cent) and 2.15 per cent (2023: 2.35 per cent) over 10 years & 8 years for Eurozone and Swiss health-care cost respectively, and to 3.85 per cent (2023: 3.65 per cent) over 8 years for United States health-care cost.

137. With regard to the valuation of repatriation benefits as at 31 December 2024, inflation in travel costs was assumed to be 2.50 per cent (2023: 2.30 per cent), on the basis of the projected United States inflation rate over the next 20 years.

138. Annual leave balances were assumed to increase at the following annual rates (in days) during the staff member's projected years of service: 0–1 year, 8.1 days; 2–3 years, 4.1 days; 4–8 years, 1.9 days; 9–15 years, 1.0 days and more than 16 years, 0.4 days, up to the maximum of 60 days. The attribution method is used for annual leave actuarial valuation.

139. For defined-benefit plans, assumptions regarding future mortality are based on published statistics and mortality tables. Salary increases, retirement, withdrawal and mortality assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation.

## Note 20

### Movement in employee benefits liabilities accounted for as defined-benefit plans

#### Reconciliation of opening to closing total defined-benefits liability

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>	<i>Total 2024</i>
<b>Net benefit liability at 1 January 2024</b>	<b>183 539</b>	<b>27 907</b>	<b>16 308</b>	<b>227 754</b>
Current service cost	5 830	1 599	1 358	8 787
Interest cost	6 054	1 222	755	8 031
Actual benefits paid	(2 150)	(3 537)	(1 931)	(7 618)
<b>Total costs recognized in the statement of financial performance in 2024</b>	<b>9 734</b>	<b>(716)</b>	<b>182</b>	<b>9 200</b>
<b>Subtotal</b>	<b>193 273</b>	<b>27 191</b>	<b>16 490</b>	<b>236 954</b>
Actuarial (gains)/loss	5 365	39	(712)	4 692
<b>Net defined liability as at 31 December 2024</b>	<b>198 638</b>	<b>27 230</b>	<b>15 778<sup>a</sup></b>	<b>241 646</b>

<sup>a</sup> Excludes valuation of the liabilities for the cost recovery fund that are not currently accrued centrally through Payroll as per the UN Controller guidance.

#### Discount rate sensitivity analysis

140. The changes in discount rates are driven by the discount curve, which is calculated on the basis of corporate bonds. The bonds markets vary over the reporting period, and the volatility has an impact on the discount rate assumption. Should the assumption vary by 0.5 per cent, its impact on the obligations would be as shown below.

### Discount rate sensitivity analysis: year-end employee benefits liabilities

(Thousands of United States dollars)

<i>31 December 2024</i>	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>
Increase of discount rate by 0.5 per cent	(20 940)	(855)	(511)
As percentage of end-of-year liability	(11%)	(3%)	(3%)
Decrease of discount rate by 0.5 per cent	24 498	911	544
As percentage of end-of-year liability	12%	3%	3%

### Medical cost sensitivity analysis

141. The principal assumption in the valuation of the after-service health insurance is the rate at which medical costs are expected to increase in the future. The sensitivity analysis looks at the change in liability resulting from changes in the medical cost rates while holding other assumptions, such as the discount rate, constant. Should the medical cost trend assumption vary by 0.5 per cent, this would have an impact on the measurement of the defined-benefit obligations, as shown below.

### Medical costs sensitivity analysis: 0.5 per cent movement in the assumed medical cost trend rates

(Thousands of United States dollars)

<i>2024</i>	<i>Increase</i>		<i>Decrease</i>	
Effect on the defined-benefit obligation	12.98%	25 778	11.16%	(22 170)
Effect on aggregate of the current service cost and interest cost	17.57%	2 088	14.33%	(1 703)

(Thousands of United States dollars)

<i>2023</i>	<i>Increase</i>		<i>Decrease</i>	
Effect on the defined-benefit obligation	12.09%	22 192	10.46%	(19 201)
Effect on aggregate of the current service cost and interest cost	14.19%	1 884	11.59%	(1 539)

### Other defined-benefit plan information

142. Benefits paid for 2024 are estimates of what would have been paid to separating staff and/or retirees during the year based on the pattern of rights acquisition under each scheme: after-service health insurance, repatriation, and commutation of accrued annual leave. The estimated defined-benefits payments (net of participants' contributions in these schemes) are shown in the table below.

### Estimated defined benefits payments, net of participants' contributions

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>	<i>Total</i>
Estimated 2024 defined benefit payments net of participants' contributions	2 577	3 309	1 837	7 723
Estimated 2023 defined benefit payments net of participants' contributions	2 151	3 537	1 931	7 619

**Historical information: total liability for after-service health insurance, repatriation benefits and annual leave as at 31 December**

(Thousands of United States dollars)

	2024	2023	2022	2021	2020	2019	2018	2017
Present value of the defined benefits obligations	241 646	227 754	216 269	280 635	273 060	246 922	190 864	203 218

*Other Employee Benefit Liabilities*

*Accrued salaries and allowance*

143. Accrued salaries and allowances comprise \$5.4 million relating to accrued salaries payable and \$4.2 million relates to other benefits.

*United Nations Joint Staff Pension Fund*

144. UNEP is a member organization participating in the United Nations Joint Staff Pension 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.

145. 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. UNEP and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify UNEP's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. UNEP has therefore treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. UNEP's contributions to the Fund during the financial period are recognized as expenses in the statement of financial performance

146. 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 using the open group aggregate method. 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.

147. The financial obligation of UNEP to the Fund consists of its mandated contribution, at the rate established by the 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 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 each paid during the three years preceding the valuation date. It has never been necessary to invoke Article 26, and no deficiency payments have ever been requested.

148. The most recent actuarial valuation for the Pension Fund was completed as at 31 December 2023, and a roll-forward of the participation data as at 31 December 2023 to 31 December 2024 will be used by the Fund for the purpose of reporting an actuarial present value of accumulated plan benefits in its 2024 financial statements.

149. The actuarial valuation as at 31 December 2023 reported a funded ratio of actuarial assets to actuarial liabilities of 111.0 per cent (117.0 per cent in the 2021 valuation) when future expected pension adjustments (cost-of-living indexation on benefits) were taken into account. The reported funded ratio was 152.0 per cent (158.2 per cent in the 2021 valuation) when the current system of pension adjustments was not taken into account.

150. After assessing the actuarial sufficiency of the Pension Fund, the consulting actuary concluded that there was no requirement, as at 31 December 2023, for deficiency payments under article 26 of the Regulations of the Fund, given that the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. At the time of reporting, the General Assembly had not invoked the provision of article 26.

151. 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 (2021, 2022 and 2023) amounted to USD 9,499.41 million, of which 1.4% was contributed by the UNEP.

152. During 2024, contributions paid to the Fund amounted to \$51.15 million (2023: \$46.71 million). Expected contributions due in 2025 are approximately \$51.21 million.

153. 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.

154. 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 21**  
**Provisions**

155. As at the reporting date, the organization had the following legal claims that required the recognition of provisions.

**Movement in provisions**

(Thousands of United States dollars)

	<i>Litigation and Claims</i>
<b>Provisions as at 1 January 2024</b>	–
Additional provisions made	14
Amounts reversed	–
Amounts used	–
<b>Provisions as at 31 December 2024</b>	<b>14</b>

**Note 22**  
**Liabilities for conditional arrangements**

(Thousands of United States dollars)

	<i>31 December 2024</i>	<i>31 December 2023</i>
Liabilities for conditional arrangements	132 094	147 307
<b>Total other liabilities</b>	<b>132 094</b>	<b>147 307</b>

**Note 23**  
**Net assets**

*Accumulated surpluses/deficits*

156. The unrestricted accumulated surplus includes the accumulated deficit for employee benefits liabilities, the net positions of after-service health insurance, repatriation benefit and annual leave liabilities.

157. The following table shows the status of the organization's net assets balances and movements, by segment.

## Net assets balances and movements

(Thousands of United States dollars)

	<i>1 January 2024</i>	<i>Adjustments</i>	<i>Net assets as at 01 January 2024 (restated)</i>	<i>Surplus/ (deficit)</i>	<i>UNEP internal elimination</i>	<i>Inter-segment transfers</i>	<i>Other movements</i>	<i>31 December 2024</i>
<b>Unrestricted fund balance</b>								
Environment Fund	83 610	216	83 826	(30 010)	–	–	–	53 816
Other support to UNEP programme of work	1 878 198	2 702	1 880 900	211 516	(18 454)	–	–	2,073,962
Conventions and protocols	236 132	647	236 779	(17 130)	–	–	(171)	219,478
Multilateral Fund	781 060	2 030	783 090	78 278	–	–	–	861,368
Programme support	33 515	119	33 634	11 666	–	–	–	45,300
End-of-service liabilities	(107 654)	374	(107 280)	15 449	–	–	(4 692)	(96 523)
<b>Subtotal unrestricted fund balance</b>	<b>2 904 861</b>	<b>6 088</b>	<b>2 910 949</b>	<b>269 769</b>	<b>(18 454)</b>	<b>–</b>	<b>(4 863)</b>	<b>3 157 401</b>
<b>Fair value reserves</b>								
Environment Fund	–	(216)	(216)	–	–	–	146	(70)
Other support to UNEP programme of work	–	(2 702)	(2 702)	–	–	–	1,663	(1 039)
Conventions and protocols	–	(647)	(647)	–	–	–	406	(241)
Multilateral Fund	–	(2 030)	(2 030)	–	–	–	1,189	(841)
Programme support	–	(119)	(119)	–	–	–	60	(59)
End-of-service liabilities	–	(374)	(374)	–	–	–	205	(169)
<b>Subtotal fair value reserves</b>	<b>–</b>	<b>(6 088)</b>	<b>(6 088)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 669</b>	<b>2 419</b>
<b>Reserves</b>								
Environment Fund	20 000	–	20 000	–	–	–	146	20 000
Other support to UNEP programme of work	–	–	–	–	–	–	–	–
Conventions and protocols	12 853	–	12 853	–	–	–	171	13 024
Multilateral Fund	–	–	–	–	–	–	–	–

United Nations Environment Programme  
Notes to the 2024 financial statements

	<i>1 January 2024</i>	<i>Adjustments</i>	<i>Net assets as at 01 January 2024 (restated)</i>	<i>Surplus/ (deficit)</i>	<i>UNEP internal elimination</i>	<i>Inter-segment transfers</i>	<i>Other movements</i>	<i>31 December 2024</i>
Programme support	6 400	–	6 400	–	–	–	–	6 400
End-of-service liabilities	-	–	-	–	–	–	–	-
<b>Subtotal reserves</b>	<b>39 253</b>	–	<b>39 253</b>	–	–	–	<b>171</b>	<b>39 424</b>
<b>Total net assets</b>		–				–		
Environment Fund	103 610	–	103 610	(30 010)	–	–	146	73 746
Other support to UNEP programme of work	1 878 198	–	1 878 198	211 516	(18 454)	–	1 663	2 072 923
Conventions and protocols	248 985	–	248 985	(17 130)	–	–	406	232 261
Multilateral Fund	781 060	–	781 060	78 278	–	–	1 189	860 527
Programme support	39 915	–	39 915	11 666	–	–	60	51 641
End-of-service liabilities	(107 654)	–	(107 654)	15 449	–	–	(4 487)	(96 692)
<b>Total net assets</b>	<b>2 944 114</b>	–	<b>2 944 114</b>	<b>269 769</b>	<b>(18 454)</b>	–	<b>(1 023)</b>	<b>3 194 406</b>

<sup>a</sup> Net assets movements including fund balances, are IPSAS-based.

<sup>b</sup> Detailed movements by fund are included in annexes I to VI.

## Note 24

### Revenue from non-exchange transactions

#### *Assessed contributions*

158. Assessed contributions of \$255.9 million (2023: \$242.4 million) have been recorded in accordance with the Financial Regulations and Rules of the United Nations, the relevant resolutions of the various conferences/meeting of parties and the policies of the United Nations, on the basis of the agreed budget scale of assessment. An amount of \$24.0 million (2023: \$24.7 million) of this is an allocation from the United Nations Secretariat.

159. Each year, the organization receives an allocation from the United Nations regular budget, which is included in assessed contributions. These are reported under Volume I, a related entity, but are also included in these statements for completeness.

In addition, internally within the organization, funds are allocated for implementation that is reflected as other transfers and allocations in the statement of financial performance.

#### **Assessed contributions**

(Thousands of United States dollars)

	2024	2023
<b>Assessed contributions</b>		
Assessed contributions by Member State Governments	231 882	217 685
Bilateral transfers from the Multilateral Fund	—	—
Allocations from regular budget	24 011	24 701
<b>Amount reported in statement II, “Assessed contributions”</b>	<b>255 893</b>	<b>242 386</b>

#### *Voluntary contributions*

160. All voluntary contributions under binding agreements signed during 2024 are recognized as revenue in 2024, including the future portion of multi-year agreements.

#### **Voluntary contributions**

(Thousands of United States dollars)

	2024	2023
<b>Voluntary contributions</b>		
Voluntary contributions: in cash	402 491	428 281
Voluntary contributions: in kind	1 838	847
<b>Total voluntary contributions received</b>	<b>404 329</b>	<b>429 128</b>
Refunds	(16 723)	(17 645)
<b>Net voluntary contributions received</b>	<b>387 606</b>	<b>411 483</b>

161. For the recognized contribution revenue, a breakdown of the amount intended to be contributed by donors per year is shown below.

(Thousands of United States dollars)

	<i>Voluntary contributions</i>
2024	205 995
2025	57 613
2026	36 402
2027	33 804
2028	24 446
Beyond 2028	29 346
<b>Total voluntary contributions</b>	<b>387 606</b>

*Other transfers and allocations*

162. Revenue from non-exchange transactions includes other transfers and allocations, mainly received from United Nations entities. This income mainly corresponds to transfers from the Global Environment Facility trust funds.

	2024	2023
<b>Other transfers and allocations</b>		
Allocations received from United Nations internal funds	346 893	227 371
<b>Total Other transfers and allocations</b>	<b>346 893</b>	<b>227 371</b>
Refunds	(10 724)	(2 149)
<b>Net Other transfers and allocations</b>	<b>336 169</b>	<b>225 222</b>

*Services in kind*

163. In-kind contributions of services received during the year are not recognized as revenue and, therefore, are not included in the above in-kind contributions' revenue. Services in kind confirmed during the year are shown below.

**Services in kind**

(Thousands of United States dollars)

	2024	2023
Technical assistance/expert services	312	242
Administrative support	642	1 624
Training participation	—	323
<b>Total</b>	<b>954</b>	<b>2 189</b>

**Note 25**

**Other revenue**

(Thousands of United States dollars)

	2024	2023
Other/miscellaneous revenue	736	2 210
Foreign exchange gains and revenue-producing activities	15 629	15 227
<b>Total other exchange revenue</b>	<b>16 365</b>	<b>17 437</b>

## Note 26 Expenses

### *Employee salaries, allowances and benefits*

164. Employee salaries include international, national and general temporary staff salaries, post adjustments and staff assessments. Allowances and benefits include other staff entitlements, including pension and insurance, staff assignment, repatriation, hardship and other allowances.

### **Employee salaries, allowances and benefits**

(Thousands of United States dollars)

	2024	2023
Salary and wages	182 779	159 934
Pension and insurance benefits	49 698	48 322
Other benefits	2 790	3 930
<b>Total employee salaries, allowances and benefits</b>	<b>235 267</b>	<b>212 186</b>

### *Non-employee compensation and allowances*

165. Non-employee compensation and allowances consist of United Nations Volunteers living allowances and post-employment benefits, consultant and contractor fees, ad hoc experts and non-military personnel compensation and allowances.

### **Non-employee compensation and allowances**

(Thousands of United States dollars)

	2024	2023
United Nations Volunteers	7 118	5 164
Consultants and contractors	75 071	61 780
United Nations Police	1	—
Other	17	—
<b>Total non-employee compensation and allowances</b>	<b>82 207</b>	<b>66 944</b>

### *Grants and other transfers*

166. Grants and other transfers include outright grants to implementing agencies, partners and other entities; see note 32 for more details.

### **Grants and other transfers**

(Thousands of United States dollars)

	2024	2023
Grants to end beneficiaries.	160	870
Transfers to implementing partners	363 167	305 869
<b>Total grants and other transfers</b>	<b>363 327</b>	<b>306 739</b>

### *Supplies and consumables*

167. Supplies and consumables include consumables, fuel and lubricants and spare parts, as set out in the table below.

## Supplies and consumables

(Thousands of United States dollars)

	2024	2023
Fuel and lubricants	6	19
Spare parts	40	99
Consumables	248	227
<b>Total supplies and consumables</b>	<b>294</b>	<b>345</b>

## Travel

168. Travel includes staff and representative travel as shown below.

## Travel expenses

(Thousands of United States dollars)

	2024	2023
Staff travel	30 707	29 188
Non-staff travel	14 897	13 225
<b>Total travel</b>	<b>45 604</b>	<b>42 413</b>

## Other operating expenses

169. Other operating expenses include maintenance, utilities, contracted services, training, security services, shared services, rent, insurance and allowances for doubtful receivables.

## Other operating expenses

(Thousands of United States dollars)

	2024	2023
Air transport	5	71
Ground transport	365	269
Communication and IT	10 507	10 433
Other contracted services	28 782	27 393
Acquisitions of goods	1 878	2 276
Acquisitions of intangible assets	358	203
Contributions in kind	1 818	842
Rent: offices and premises	7 698	9 843
Rental: equipment	225	138
Maintenance and repair	1 637	918
Bad debt/doubtful debt expenses	25 286	4 189
Net foreign exchange losses/gains	25 033	7 891
Other/miscellaneous operating expenses	467	402
<b>Total other operating expenses</b>	<b>104 059</b>	<b>64 868</b>

*Exchange losses from the fixed-rate mechanism*

170. The Multilateral Fund operates a fixed exchange-rate mechanism (initially approved for implementation by the Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer in its decision XI/6 of 17 December 1999 and extended for the 2018–2020 period in its decision XXIX/2 of 20 November 2017) which, subject to fulfilling certain criteria, allows parties to opt in advance to pay their contributions for the forthcoming triennium, in their own currencies, at a predetermined exchange rate to the United States dollar fixed prior to the triennium. The exchange loss of \$0.9 million (2023: \$2.7 million) resulted from the difference between the actual United States dollar equivalent of the respective contributions received as compared to the United States dollar receivable that had been established in the UNEP books of account.

**Exchange losses from the fixed exchange-rate mechanism**

(Thousands of United States dollars)

	2024	2023
Exchange (gain)/loss from the fixed exchange rate mechanism	889	2 728

**Other expenses**

171. Other expenses relate largely to hospitality and official functions, and donation/transfer of assets.

(Thousands of United States dollars)

	2024	2023
Ex-Gratia and Compensation Claims	6	–
Other/miscellaneous expenses	52	82
<b>Total other expenses</b>	<b>58</b>	<b>82</b>



## Note 27

### Financial instruments and financial risk management

#### *Financial instruments*

(Thousands of United States dollars)

	2024	2023
<b>Financial assets</b>		
<b>Fair value through net asset/equity</b>		
Short-term investments: main pool	1 359 265	1 300 298
<b>Total short-term investments</b>	<b>1 359 265</b>	<b>1 300 298</b>
Long-term investments: main pool	497 142	406 745
<b>Total long-term investments</b>	<b>497 142</b>	<b>406 757</b>
<b>Total fair value through net asset/equity</b>	<b>1 856 407</b>	<b>1 707 043</b>
<b>Cash, loans and receivables</b>		
Cash and cash equivalents: main pool	226 270	252 068
Cash and cash equivalents – other	33	22
<b>Cash and cash equivalents</b>	<b>226 303</b>	<b>252 090</b>
Assessed contributions receivable	19 643	42 447
Voluntary contributions receivable	1 248 602	1 095 465
Other receivables	435	773
Other assets (excluding advances)	–	–
<b>Total cash, loans and receivables</b>	<b>1 494 983</b>	<b>1 390 775</b>
<b>Total carrying amount of financial assets</b>	<b>3 351 390</b>	<b>3 097 818</b>
Of which relates to financial assets held in main pool	2 082 677	1 959 111
Other investment revenue	105 811	78 949
<b>Financial liabilities at amortized cost</b>		
Accounts payable and accrued payables (excluding deferred payables)	52 771	34 092
<b>Total carrying amount of financial liabilities</b>	<b>52 771</b>	<b>34 092</b>
<b>Summary of net income from financial assets</b>		
Other investment revenue	10 176	4 573
Investment revenue	95 635	74 376
Foreign exchange gains/(losses)	–	–
<b>Total net income from financial assets</b>	<b>105 811</b>	<b>78 949</b>

#### *Financial risk management: overview*

172. The organization has exposure to the following financial risks:

- (a) Credit risk;
- (b) Liquidity risk;
- (c) Market risk.

173. The present note and note 28, “Financial instruments: cash pool”, present information on the organization’s exposure to the above-mentioned risks, the objectives, policies and processes for measuring and managing risk and the management of capital.

### *Risk management framework*

174. The organization's risk management practices are in accordance with its Financial Regulations and Rules and Investment Management Guidelines (Guidelines). The organization defines the capital that it manages as the aggregate of its net assets, which comprises accumulated fund balances and reserves. Its objectives are to safeguard its ability to continue as a going concern, to fund its asset base and to accomplish its objectives. The organization manages its capital in the light of global economic conditions, the risk characteristics of the underlying assets and its current and future working capital requirements.

### *Credit risk*

175. Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, investments and deposits with financial institutions, as well as credit exposures to outstanding receivables. The carrying value of financial assets less allowances for doubtful receivables is the maximum exposure to credit risk.

### *Credit risk management*

176. The investment management function is centralized at United Nations Headquarters, and under normal circumstances other areas are not permitted to engage in investing. An area may receive exceptional approval when conditions warrant investing locally under specified parameters that comply with the Guidelines.

### *Credit risk: Cash pool investments and deposits*

177. The organization's investment management guidelines, risk and investment strategies define certain limits and restrictions in order to limit the exposure to credit risk of the portfolio, which is limited to a minimum investment grade AA- for medium/long-term maturities and A-1,P-1,F-1 for short-term maturities. Furthermore, there is a limit of 5% of any single outstanding issue or bond offering per pool and any new issuer is subject to a credit review process and approval by the Treasurer prior to an investment decision. The expected credit loss assessment was conducted using the Fitch Annual Global Default Rating by applying the default rates based on the credit rating of each issuer which the organization holds an investment. As investments are limited to highly rated institutions, the impairment loss on such investment is relatively small and not material.

Financial Instruments	ECL Calculation Method	Calculation for 2024
Cash and cash equivalents	Using the <i>(Fitch) Annual Global Default and Rating Transition Study</i>	Considered not material
Money Market Funds Investments	Using the <i>(Fitch) Annual Global Default and Rating Transition Study</i>	Considered not material
Bond Investments	Using the <i>(Fitch) Annual Global Default and Rating Transition Study</i>	Considered not material

### *Credit Risk: Contributions receivable and other receivables*

178. A large portion of the contributions receivable is due from sovereign Governments and supranational agencies, including other United Nations entities that do not have significant credit risk. As at the reporting date, the organization did not hold any collateral as security for receivables.

### *Loss allowance*

179. The organization uses the simplified approach to evaluate the lifetime expected credit loss at each reporting date. The loss allowance is established based on the historical loss rate and the exposure balance at the yearend for each financial assets category. Balances credited to the loss allowance - account are reduced when management approves write-offs under the Financial Regulations and Rules or are reversed when the previously impaired receivables are received. It is worth noting that the decisions for write-off of receivables in the case of assessed contributions from parties to the Global Multilateral Environmental Agreements (MEAs) of the United Nations Environment Programme are considered at the governing bodies' level. The movement in the allowances account during the year is as shown below.

### *Assessed contributions receivable receivables and loss allowance*

180. The expected credit loss allowance for assessed contributions receivable is computed by analysing historical outstanding balances for each business partner group and computing the historical loss rates. These expected credit loss rates, which vary across business partner groups and delinquency aging buckets, are then applied to the current year's outstanding receivables balances to determine the appropriate loss allowance for the year. The expected credit loss allowance provisioning goes through the specific identification of accounts receivable based on available information and subject to loss allowance provisions, and then the general expected credit loss allowance based on historical loss rates is applied.

### *Voluntary contributions receivables and loss allowance*

181. The expected credit loss allowance for voluntary contributions receivable is computed by analysing historical outstanding balances for each business partner group adjusted for write downs and computing the historical loss rates. These expected credit loss rates, which vary across business groups and delinquency aging buckets, are then applied to the current year's outstanding receivables balances to determine the appropriate loss allowance for the year.

### *Other accounts receivables and loss allowance*

182. The expected credit loss allowance for other receivable is computed by analysing historical outstanding balances for each business partner group and computing the historical loss rates. These expected credit loss rates, which vary across business groups and delinquency aging buckets, are then applied to the current year's outstanding receivables balances to determine the appropriate loss allowance.

### *Movement in expected credit loss allowance for receivables*

(Thousands of United States dollars)

	<i>Assessed Contributions Receivable</i>	<i>Voluntary Contributions Receivable</i>	<i>Other Accounts Receivable</i>	<i>31 December 2024</i>
<b>Expected credit loss allowance</b>	<b>237 024</b>	<b>5 085</b>	<b>619</b>	<b>242 728</b>

183. The ageing of contributions receivables and associated allowance is as shown below.

### Ageing of assessed contributions receivable

(Thousands of United States dollars)

	<i>Gross receivable</i>	<i>Allowance</i>
Neither past due nor impaired	–	–
Less than one year	4	1
One to two years	27 747	14 088
Two to three years	212 106	209 466
More than three years	16 810	13 469
<b>Total</b>	<b>256 667</b>	<b>237 024</b>

### Ageing of voluntary contributions receivable

(Thousands of United States dollars)

	<i>Gross receivable</i>	<i>Allowance</i>
Neither past due nor impaired	1 163 352	427
Less than one year	39 609	110
One to two years	30 691	162
Two to three years	11 306	103
More than three years	8 729	4 282
<b>Total</b>	<b>1 253 687</b>	<b>5 085</b>

### Ageing of other receivables

(Thousands of United States dollars)

	<i>Gross receivable</i>	<i>Allowance</i>
Less than one year	84	29
One to two years	(14)	(6)
Two to three years	250	125
More than three years	734	471
<b>Total</b>	<b>1 054</b>	<b>619</b>

### Cash and cash equivalents

184. The organization had cash and cash equivalents of \$226.3 million as at 31 December 2024 (2023: \$252.1 million), which is the maximum credit exposure on these assets.

### Liquidity risk

185. Liquidity risk is the risk that the organization might not have adequate funds to meet its obligations as they fall due.

The organization's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the organization's reputation.

186. The Financial Regulations and Rules require that expenses be incurred after the receipt of funds from donors, thereby considerably reducing the liquidity risk with regard to contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses prior to the receipt of funds are permitted only if specified risk management criteria are adhered to with regard to the amounts receivable.

187. The organization performs cash flow forecasting and monitors rolling forecasts of liquidity requirements to ensure that they have sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The organization maintains a large portion of its investments in cash equivalents and short-term investments sufficient to cover its commitments as and when they fall due.

#### *Financial liabilities*

188. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely owing to the receivables, cash and investments available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations. At the reporting date, the organization had not pledged any collateral for any liabilities or contingent liabilities, and in the year no accounts payable or other liabilities were forgiven by third parties. Maturities for financial liabilities based on the earliest date at which the organization can be required to settle each financial liability are shown below.

#### **Maturities for financial liabilities as at 31 December 2024**

(Thousands of United States dollars)

	< 3 months	3 to 12 months	>1 year	Total
Maturities for financial liabilities: as at 31 December 2024, undiscounted accounts payable and accrued payables	52 771	–	–	52 771

#### *Market risk*

189. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities, will affect the organization's income or the value of its financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the organization's fiscal position.

#### *Interest rate risk*

190. Interest rate risk is the risk of variability in financial instruments' fair values or future cash flows due to change in interest rates. In general, as the interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, with duration being a number expressed in years. The longer the duration, the greater the interest rate risk. The main exposure to interest rate risks relates to the cash pools and is considered in note 28.

#### *Currency risk*

191. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. The organization has transactions, assets and liabilities in currencies other than its functional currency and is exposed to currency risk arising from fluctuations in exchange rates. Management policies and the Guidelines require the organization to manage its currency risk exposure.

192. The organization's financial assets and liabilities are denominated primarily in United States dollars. Non-United States dollar financial assets relate primarily to investments in addition to cash and cash equivalents and receivables held in

order to support local operating activities where transactions are made in local currencies. The organization maintains a minimum level of assets in local currencies and, whenever possible, maintains bank accounts in United States dollars. The organization mitigates currency risk exposure by structuring contributions from donors in foreign currency to correspond to foreign currency needs for operational purposes. The most significant exposure to currency risk relates to cash pool cash and cash equivalents. At the reporting date, the non-United States dollar denominated balances in these financial assets were primarily euros and Swiss francs, along with over 30 other currencies, as shown below.

### Currency exposure of the cash pools as at 31 December 2024

(Thousands of United States dollars)

	<i>United States dollars</i>	<i>Euros</i>	<i>Swiss francs</i>	<i>Others</i>	<i>Total</i>
Main cash pool	2 062 311	8 770	8 320	3 276	2 082 677

### *Sensitivity analysis*

193. A strengthening/weakening of the euro and Swiss franc United Nations operational rates of exchange as at the reporting date would have affected the measurement of investments denominated in a foreign currency and increased or decreased net assets and surplus or deficit by the amounts shown below. This analysis is based on foreign currency exchange rate variances considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

### Effect on net assets, surplus or deficit

(Thousands of United States dollars)

	<i>As at 31 December 2024</i>		<i>As at 31 December 2023</i>	
	<i>Effect on net asset surplus or deficit</i>		<i>Effect on net asset surplus or deficit</i>	
	<i>Strengthening</i>	<i>Weakening</i>	<i>Strengthening</i>	<i>Weakening</i>
Euro (10 per cent movement)	877	(877)	1 556	(1 556)
Swiss franc (10 per cent movement)	832	(832)	227	(227)
British Pound (10 per cent movement)	92	(92)	427	(427)
Colombian Peso (10 per cent movement)	48	(48)	405	(405)

### *Other market price risk*

194. The organization is not exposed to significant other price risk, as it has limited exposure to price-related risk related to expected purchases of certain commodities used regularly in operations. A change in those prices may alter cash flows by an immaterial amount.

### *Classification and measurement*

195. Investment in the cash pool are carried at fair value through net asset. Cash and cash equivalents, receivables, including non-current voluntary contributions receivable, which are reported at amortized cost calculated using the effective interest method and accounts payable are valued at amortised cost which is a fair approximation of fair value as at 31 December 2024.

### *Fair value hierarchy*

196. The table below analyses financial instruments carried at fair value, by the fair value hierarchy levels. The levels are defined as:

- (a) Level 1: quoted prices (unadjusted) 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 (that is, as prices) or indirectly (that is, derived from prices);

(c) Level 3: inputs for the asset or liabilities that are not based on observable market data (that is, unobservable inputs).

197. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian on the basis of the valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the cash pools is the current bid price.

### Fair value hierarchy

(Thousands of United States dollars)

#### Main pool

	31 December 2024			31 December 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial assets at fair value through net asset</b>						
Bonds – corporates	16 362	–	16 362	20 259	–	20 259
Bonds – non-United States agencies	449 855	–	449 855	423 429	–	423 429
Bonds – supranational	82 568	–	82 568	203 262	–	203 262
Bonds – United States treasuries	136 819	–	136 819	16 779	–	16 779
Bonds – non-United States sovereigns	17 165	–	17 165	132 111	–	132 111
Main pool – commercial papers	–	161 197	161 197	–	87 509	87 509
Main pool – certificate of deposit	–	559 724	559 724	–	511 527	511 527
Main pool – term deposits	–	408 735	408 735	–	312 167	312 167
<b>Total</b>	<b>702 769</b>	<b>1 129 656</b>	<b>1 832 425</b>	<b>795 840</b>	<b>911 203</b>	<b>1 707 043</b>

198. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Valuation techniques maximize the use of observable market data where it is available. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

199. There were no level 3 financial assets, nor any liabilities carried at fair value, nor any significant transfers of financial assets between fair value hierarchy classifications.

### Note 28

#### Financial instruments: cash pool

200. In addition to directly held cash and cash equivalents and investments, the United Nations Environment Programme (“UNEP”) participates in the United Nations Treasury cash pool. The main pool comprises operational bank account balances in a number of currencies and investments in United States dollars.

201. Pooling the funds has a positive effect on overall investment performance and risk, because of economies of scale, and by the ability to spread yield curve exposures across a range of maturities. The allocation of cash pool assets (cash and cash equivalents, short-term investments and long-term investments) and revenue is based on each participating entity's principal balance.

202. As at 31 December 2024, the cash pools and the total assets were for \$12 076.1 million (2023: 11 548.7 million), of which \$2 082.7 million was due to the Organization (2023: \$1 959.1 million), and its share of revenue from cash pools was \$95.442 million (2023: \$74.224 million).

### Summary of assets and liabilities of the main pool as at 31 December 2024

(Thousands of United States dollars)

	<i>Main pool</i>
<b>Fair value through the net asset/equity</b>	
Short-term investments	7 742 472
Long-term investments	2 882 612
<b>Total fair value through the net asset/equity investments</b>	<b>10 625 084</b>
<b>Loans and receivables</b>	
Cash and cash equivalents	1 312 000
Accrued investment revenue	139 050
<b>Total loans and receivables</b>	<b>1 451 050</b>
<b>Total carrying amount of financial assets</b>	<b>12 076 134</b>
<b>Cash pool liabilities</b>	
Payable to UNEP	2 082 676
Payable to other cash pool participants	9 993 458
<b>Total liabilities</b>	<b>12 076 134</b>
<b>Net assets</b>	<b>–</b>

### Summary of revenue and expenses of the main pool for the year ended 31 December 2024

(Thousands of United States dollars)

	<i>Main pool</i>
Investment revenue	577 165
<b>Investment revenue from main pool <sup>a</sup></b>	<b>577 165</b>
Foreign exchange gains/(losses)	8 723
Bank fees	(733)
<b>Operating expenses from main pool</b>	<b>7 990</b>
<b>Revenue and expenses from main pool</b>	<b>585 155</b>

<sup>a</sup> Unrealized loss from cash pools mark to market revaluation is reported under the statement of net assets in accordance with IPSAS 41 in 2024.



### Summary of assets and liabilities of the main pool as at 31 December 2023

(Thousands of United States dollars)

	<i>Main pool</i>
<b>Fair value through the surplus or deficit</b>	
Short-term investments	7 554 712
Long-term investments	2 397 703
<b>Total fair value through the surplus or deficit investments</b>	<b>9 952 415</b>
<b>Loans and receivables</b>	
Cash and cash equivalents	1 485 897
Accrued investment revenue	110 348
<b>Total loans and receivables</b>	<b>1 596 245</b>
<b>Total carrying amount of financial assets</b>	<b>11 548 660</b>
<b>Cash pool liabilities</b>	
Payable to UNEP	1 959 112
Payable to other cash pool participants	9 589 548
<b>Total liabilities</b>	<b>11 548 660</b>
<b>Net assets</b>	<b>—</b>

### Summary of revenue and expenses of the main pool for the year ended 31 December 2023

(Thousands of United States dollars)

	<i>Main pool</i>
Investment revenue	488 377
Unrealized gains/(losses)	—
<b>Investment revenue from main pool</b>	<b>488 377</b>
Foreign exchange gains/(losses)	9 194
Bank fees	(808)
<b>Operating expenses from main pool</b>	<b>8 386</b>
<b>Revenue and expenses from main pool</b>	<b>496 763</b>

#### *Financial risk management*

203. The United Nations Treasury is responsible for investment and risk management for the cash pools, including conducting investment activities in accordance with the Guidelines.

204. The objective of investment management is to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market rate of return component of the objectives.

205. An investment committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates thereto.

*Financial risk management: credit risk*

206. The Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible cash pool investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or less. The cash pools do not invest in derivative instruments such as asset-backed and mortgage-backed securities or equity products.

207. The Guidelines require that investments are not to be made in issuers whose credit ratings are below specifications and also provide for maximum concentrations with given issuers. These requirements were met at the time the investments were made.

208. The credit ratings used for the cash pools are those determined by major credit-rating agencies; Standard & Poor's and Moody's and Fitch are used to rate bonds, certificates of deposit and discounted instruments, and the Fitch viability rating is used to rate bank term deposits. At year-end, the credit ratings were as shown below.

**Investments of the cash pool by credit ratings as at 31 December 2024**

<i>Main pool</i> Ratings as at 31 December 2024				Ratings as at 31 December 2023			
<b>Bonds (Long term ratings)</b>				<b>Bonds (Long term ratings)</b>			
	<b>AAA</b>	<b>AA+/AA-/AA</b>	<b>NA</b>		<b>AAA</b>	<b>AA+/AA-/AA</b>	<b>NA</b>
S&P	22.2%	77.8%	-	S&P	37.1%	62.9%	-
Fitch	<b>AAA</b>	<b>AA+/AA/AA-</b>	<b>NA/NR</b>	Fitch	<b>AAA</b>	<b>AA+/AA/AA-</b>	<b>NA/NR</b>
	9.9%	69.4%	20.7%		28.4%	53.3%	1.3%
	<b>Aaa</b>	<b>Aa1/Aa2/Aa3</b>	<b>NA</b>		<b>Aaa</b>	<b>Aa1/Aa2/Aa3</b>	<b>NA</b>
Moody's	37.7%	53.6%	8.7%	Moody's	61.9%	30.5%	7.6%
<b>Commercial papers/ Certificates of Deposit (Short term ratings)</b>				<b>Commercial papers/ Certificates of Deposit (Short term ratings)</b>			
	<b>A-1+/A-1</b>				<b>A-1+/A-1</b>		
S&P	100.0%			S&P	100.0%		
	<b>F1+/F1</b>		<b>NR</b>		<b>F1+/F1</b>		<b>NR</b>
Fitch	97.6%		2.4%	Fitch	98.8%		1.2%
	<b>P-1</b>				<b>P-1/P2</b>		
Moody's	100.0%			Moody's	100.0%		
<b>Term deposits/demand deposit account (Fitch viability ratings)</b>				<b>Term deposits/demand deposit account (Fitch viability ratings)</b>			
	<b>aa/aa-</b>	<b>a+/a/a-</b>	<b>NR</b>		<b>aa/aa-</b>	<b>a+/a/a-</b>	
Fitch	33.7%	64.9%	1.4%	Fitch	23.8%	76.2%	

*Abbreviations:* NA, not applicable; NR, not rated; WD, withdrawn; WR, withdrawn.

209. The United Nations Treasury actively monitors credit ratings and, given that the Organization has invested only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

*Financial risk management: liquidity risk*

210. The cash pools are exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. They maintain sufficient cash and marketable securities to meet participants' commitments as and when they

fall due. The major portion of cash and cash equivalents and investments are available within a day's notice to support operational requirements. The cash pool liquidity risk is therefore considered to be low.

*Financial risk management: interest rate risk*

211. The cash pools comprise the Organization's main exposure to interest rate risk with fixed-rate cash and cash equivalents and investments being interest-bearing financial instruments. As at the reporting date, the cash pools had invested primarily in securities with shorter terms to maturity, with the maximum being less than four years (2023: four years). The average duration of the main pool on 31 December 2024 was 0.78 years (2023: 0.65 years), which is considered to be an indicator of low risk.

*Cash pool interest rate risk sensitivity analysis*

212. This analysis shows how the fair value of the cash pools as at the reporting date would increase or decrease should the overall yield curve shift in response to changes in interest rates. Given that the investments are accounted for at fair value through net asset/equity, the change in fair value represents the increase or decrease in net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). The basis point shifts are illustrative.

**Main pool interest rate risk sensitivity analysis as at 31 December 2024**

<i>Shift in yield curve (basis points)</i>	<i>-200</i>	<i>-150</i>	<i>-100</i>	<i>-50</i>	<i>0</i>	<i>+50</i>	<i>+100</i>	<i>+150</i>	<i>+200</i>
<b>Increase/(decrease) in fair value</b> (Millions of United States dollars):									
Main pool total	180.84	135.62	90.41	45.20	0	(45.20)	(90.39)	(135.57)	(180.75)

**Main pool interest rate risk sensitivity analysis as at 31 December 2023**

<i>Shift in yield curve (basis points)</i>	<i>-200</i>	<i>-150</i>	<i>-100</i>	<i>-50</i>	<i>0</i>	<i>+50</i>	<i>+100</i>	<i>+150</i>	<i>+200</i>
<b>Increase/(decrease) in fair value</b> (Millions of United States dollars):									
Main pool total	144.78	108.58	72.38	36.19	0	(36.19)	(72.37)	(108.55)	(144.73)

*Other market price risk*

213. The cash pools are not exposed to significant other price risks because they do not sell short, borrow securities or purchase securities on margin, which limits the potential loss of capital.

*Accounting classifications and fair value hierarchy*

214. All investments are reported at fair value through net asset/equity. Cash and cash equivalents carried at nominal value are deemed to be an approximation of fair value.

215. The levels are defined as:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: inputs for the asset or liabilities that are not based on observable market data (that is, unobservable inputs).

216. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and is determined by the independent custodian on the basis of valuation of securities sourced from third-parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held in the cash pools is the current bid price.

217. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximize the use of observable market data. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

218. The following fair value hierarchy presents the cash pool assets that are measured at fair value at the reporting date. There were no level 3 financial assets, nor any liabilities carried at fair value and no significant transfers of financial assets between fair value hierarchy classifications.

### Fair value hierarchy for investments as at 31 December 2024: main pool

(Thousands of United States dollars)

	31 December 2024			31 December 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial assets at fair value through net assets/equity</b>						
Bonds – corporate	94 875	–	94 875	118 115	–	118 115
Bonds – non-United States agencies	2 608 429	–	2 608 429	2 468 680	–	2 468 680
Bonds – supranational	478 759	–	478 759	770 234	–	770 234
Bonds – United States treasuries	793 328	–	793 328	1 185 059	–	1 185 059
Bonds – non-United States sovereigns	99 527	–	99 527	97 824	–	97 824
Main pool – commercial papers	–	934 677	934 677	–	510 193	510 193
Main pool – certificates of deposit	–	3 245 489	3 245 489	–	2 982 310	2 982 310
Main pool – term deposits	–	2 370 000	2 370 000	–	1 820 000	1 820 000
<b>Total</b>	<b>4 074 918</b>	<b>6 550 166</b>	<b>10 625 084</b>	<b>4 639 912</b>	<b>5 312 503</b>	<b>9 952 415</b>

## Note 29

### Related parties

#### *Key management personnel*

219. Key management personnel are those with the ability to exercise significant influence over the financial and operating decisions of the organization. For UNEP, the key management personnel group is deemed to comprise the Executive Director of UNEP, the Deputy Executive Director of UNEP, the Head of the New York office of UNEP, divisional directors, regional directors, the Head of Multilateral Environmental Agreements and Regional Seas and Conventions and the Executive Secretary of the Secretariat for the Convention on Biological Diversity.

220. The aggregate remuneration paid to key management personnel includes net salaries, post adjustment and other entitlements such as grants, subsidies, employer pension and health insurance contributions.

221. The organization's key management personnel were paid \$9.1 million over the financial year; such payments are in accordance with the Staff Regulations and Staff Rules of the United Nations, the published salary scales of the United Nations and other publicly available documents.

### Compensation of key management personnel

(Thousands of United States dollars)

	<i>Key management personnel</i>	<i>Close family members</i>	<i>Total</i>
Number of positions (full-time equivalents)	38	–	38
<i>Aggregate remuneration:</i>		–	
Salary and post adjustment	7 712	–	7 712
Other compensation/entitlements	1 366	–	1 366
<b>Total remuneration for the year ended 31 December 2024</b>	<b>9 078</b>	<b>–</b>	<b>9 078</b>

222. Non-monetary and indirect benefits paid to key management personnel were not material.

223. No close family member of key management personnel was employed by the organization at the management level. Advances made to key management personnel are those made against entitlements in accordance with the staff rules and regulations; and such advances against entitlements are widely available to all staff of the organization.

#### *Related entity transactions*

224. In the ordinary course of business, to achieve economies in executing transactions, financial transactions of the organization are often executed by one financial reporting entity on behalf of another. Before the introduction of the Umoja system, these had to be manually followed up and settled. In Umoja, settlement occurs when the service provider is paid.

## Note 30

### Leases and commitments

#### *Finance leases*

225. The organization does not normally enter into finance leases for the use of land, permanent and temporary buildings, and equipment, and had no finance leases during the period.

### *Operating leases*

226. The Organization enters into operating leases for the use of land, permanent and temporary buildings, machinery and equipment. While some of the agreements are under commercial terms, others are for space provided to the United Nations Environment Programme by host Governments on a free-of-charge or nominal-fee basis. Rental value equivalent was estimated and recognized as an expense and in-kind contributions were presented in the statement of financial performance as voluntary contributions revenue. Operating lease expenses for the year total \$15.9 million (2023: \$16.5 million). Future minimum lease payments under non-cancellable operating leases are as shown below.

### **Future minimum operating lease obligations**

(Thousands of United States dollars)

	<i>Minimum lease payment as at 31 December 2024</i>	<i>Minimum lease payment as at 31 December 2023</i>
Due in less than 1 year	14 694	17 025
Due in 1 to 5 years	26 228	42 003
Due later than 5 years	8 268	9 357
<b>Total minimum operating lease obligations</b>	<b>49 190</b>	<b>68 385</b>

227. These contractual leases typically run between one and six years, with some leases allowing extension clauses and/or permitting early termination within 30, 60 or 90 days. The amounts present future obligations for the minimum contractual term, taking into consideration contract annual lease payment increases in accordance with lease agreements. No agreements contain purchase options.

### *Contractual commitments*

228. At the reporting date, the commitments for property, plant and equipment; intangible assets; implementing partners; and goods and services contracted but not delivered were as shown below. These include contracts with partners for multi-year projects.

### **Contractual commitments by category**

(Thousands of United States dollars)

	<i>31 December 2024</i>	<i>31 December 2023</i>
Goods and services	69 312	69 722
Implementing partners	1 066 957	932 505
Multilateral Fund external implementing partners	191 887	148 742
<b>Total contractual commitments</b>	<b>1 328 156</b>	<b>1 150 969</b>

## **Note 31**

### **Contingent liabilities and contingent assets**

#### *Contingent liabilities*

229. The organization is subject to a variety of claims that arise from time to time in the ordinary course of its operations.

230. These claims are segregated into two main categories: commercial and administrative law claims. As at the reporting date, there were no claims that met the threshold for either provision recognition or provision disclosure.

### Contingent assets

231. In accordance with IPSAS 19, the organization discloses contingent assets when an event gives rise to a probable inflow of economic benefits or service potential to the organization and there is sufficient information to assess the probability of that inflow. As at 31 December 2024, there were no material contingent assets arising from the organization's legal actions or interests in joint ventures that were likely to result in a significant economic inflow.

## Note 32

### Grants and other transfers

232. The following are the categories in which the funds given to implementing partners have been spent.

### Grants and other transfers: expenditure reporting by category

(Thousands of United States dollars)

	2024	2023
<b>Grants to end beneficiaries</b>	<b>160</b>	<b>870</b>
<b>Grants to implementing partners:</b>		
Staff and other personnel costs	96 290	84 982
Supplies, commodities, materials	4 452	2 508
Equipment, vehicles, and furniture	7 079	8 326
Contractual services	38 897	40 198
Travel	19 538	20 405
Transfers and grants to counterparts	83 248	63 710
General operating and other direct costs	52 602	13 579
Indirect support costs (implementing partner)	1 821	1 205
<b>Subtotal grants to implementing partners</b>	<b>304 087</b>	<b>235 783</b>
Multilateral Fund expenditure	103 849	97 954
Less: eliminated expenses	(44 609)	(26 998)
<b>Net Multilateral Fund expenditure</b>	<b>59 240</b>	<b>70 956</b>
<b>Total grants and other transfers</b>	<b>363 327</b>	<b>306 739</b>

<sup>a</sup> As at the time of the financial statements, 86% of active implementing partners had confirmed their 2024 deliverables, representing an improvement in compliance reporting by the implementing partners from 77% in 2023. UNEP recognized the 2024 expenses on the basis of the reports received from the implementing partners and confirmed their 2024 deliverables. The pending expenses from the implementing partners will be recorded against the commitments and the balances of the contractual commitments to the implementing partners are reported in paragraph 234 of note 30.

233. The amount under the Multilateral Fund is implemented by the four implementing partners set out below.

(Thousands of United States dollars)

	Total 2024	Total 2023
United Nations Environment Programme	26 290	21 799
United Nations Industrial Development Organization	26 277	43 808
World Bank	29 185	10 509
United Nations Development Programme	22 097	21 838
<b>Total</b>	<b>103 849</b>	<b>97 954</b>

234. The amounts from the United Nations Development Programme, the United Nations Industrial Development organization and the World Bank are recorded based on unaudited expenditure, based on the approval of the Executive Committee of the Multilateral Fund in order to allow UNEP to comply with the requirement to issue the financial statements by 31 March of the following year. There is, however, an agreement that the implementing agencies will provide audited expenditures as soon as they become available, but not later than 30 September of the following year.

235. Authorized advance transfers from the Multilateral Fund to the implementing agencies are issued for the full, multi-year project implementation period. Amounts against which expense reports are expected to be received by the end of 2024, calculated on the basis of the average levels of expenses reported in prior years, are classified as current assets in the statement of financial position and the balances are classified as non-current assets.

### **Note 33**

#### **Future year contributions**

236. The organization has an amount of \$1,253.7 million worth of signed contributions from voluntary contributions for implementation in current and future years. This amount is obtained from note 10 – Voluntary Contributions receivable before the expected credit loss allowance for doubtful accounts receivables.

### **Note 34**

#### **Events after the reporting date**

237. On January 20, 2025, a temporary suspension of foreign aid was announced by a donor. As of the issuance date of these financial statements, the overall impact is still being assessed. Since this event occurred after 31 December 2024, it is classified as a non-adjusting event under IPSAS 14 and does not affect the reported financial position of the Organization. Management will continue to monitor the situation and will make any necessary adjustments to its financial strategies.



## Note 35

### Statement of cash flows for the year ended 31 December 2024

#### Environment Fund

(Thousands of United States dollars)

	31 December 2024	31 December 2023
<b>Cash flow from operating activities</b>		
<b>Surplus/(deficit) for the year</b>	<b>(30 010)</b>	<b>(9 090)</b>
<i>Non-cash movements</i>		
Depreciation and amortization	91	96
Actuarial gain/(loss) on employee benefits liabilities	—	—
Transfers and donated property, plant and equipment and intangibles	—	—
Net gain/(loss) on disposal of property, plant, and equipment	2	13
Unrealized gains/(losses) arising from fair value changes on investments - Main Pool	146	440
<i>Changes in assets</i>		
(Increase)/decrease in voluntary contributions receivable	17 710	20 443
(Increase)/decrease in other receivables	(14)	(23)
(Increase)/decrease in advance transfers	901	(1 306)
(Increase)/decrease in other assets	1 403	(1 874)
<i>Changes in liabilities</i>		
Increase/(decrease) in accounts payable and accrued liabilities	(500)	(1 111)
Increase/(decrease) in funds received in advance and deferred revenue	—	—
Increase/(decrease) in employee benefits payable	724	1 050
Increase/(decrease) in provisions	6	—
Investment revenue presented as investing activities	(3 009)	(2 459)
<b>Net cash flows from/(used in) operating activities</b>	<b>(12 550)</b>	<b>6 179</b>
<b>Cash flow from investing activities</b>		
Pro rata share of net increases in the cash pool	7 343	(8 495)
Investment revenue presented as investing activities	3 009	2 459
Acquisitions of property, plant, and equipment	(240)	(105)
Proceeds from disposal of property plant and equipment	—	—
<b>Net cash flows from/(used in) investing activities</b>	<b>10 112</b>	<b>(6 141)</b>
<b>Cash flow from financing Activities</b>		
Adjustments to net assets	—	167
<b>Net cash flows from/(used in) financing activities</b>	<b>—</b>	<b>167</b>
Net increase/(decrease) in cash and cash equivalents	(2 438)	205
Cash and cash equivalents – beginning of year	8 889	8 684
<b>Cash and cash equivalents – end of year</b>	<b>6 451</b>	<b>8 889</b>

**Note 36**

**Statement of cash flows for the year ended 31 December 2024**

**Multilateral Fund**

(Thousands of United States dollars)

	Note	31 December 2024	31 December 2023
<b>Cash flow from operating activities</b>			
<b>Surplus/(deficit) for the year</b>		<b>78 278</b>	<b>76 176</b>
<i>Non-cash movements</i>			
Depreciation and amortization		29	1
Transfers and donated property, plant and equipment and intangibles		–	–
Unrealized gains/(losses) arising from fair value change on investments		1 189	4 204
<i>Changes in assets</i>			
(Increase)/decrease in assessed contributions receivable		19 088	(9 098)
(Increase)/decrease in voluntary contributions receivable		–	–
(Increase)/decrease in other receivables		(147)	(69)
(Increase)/decrease in advance transfers		(51 449)	(6 611)
(Increase)/decrease in other assets		(20)	(78)
<i>Changes in liabilities</i>			
Increase/(decrease) in accounts payable and accrued liabilities		187	165
Increase/(decrease) in advance receipts		23 386	19 668
Increase/(decrease) in employee benefits payable		46	(180)
Investment revenue presented as investing activities		(44 604)	(31 670)
<b>Net cash flows from/(used in) operating activities</b>		<b>26 149</b>	<b>52 508</b>
<b>Cash flow from investing activities</b>			
Pro rata share of net increases in the cash pool		(75 894)	(78 381)
Acquisitions of property, plant, and equipment		–	–
Investment revenue presented as investing activities		44 604	31 670
<b>Net cash flows from/(used in) investing activities</b>		<b>(31 830)</b>	<b>(46 711)</b>
<b>Cash flow from financing activities</b>			
Adjustments to net assets		–	(3 987)
<b>Net cash flows from/(used in) financing activities</b>		<b>–</b>	<b>(3 987)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(5 681)</b>	<b>1 810</b>
Cash and cash equivalents – beginning of year		84 511	82 701
<b>Cash and cash equivalents – end of year</b>		<b>78 830</b>	<b>84 511</b>

## Annex I

### Environment Fund segment

#### Schedule of net assets, revenue, and expense at fund level for the year ended 31 December 2024

(Thousands of United States dollars)

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
FEL	UNEP Environment support budget	67 302	19 831	87 133	-	127	(14 715)	23 477	49 068
FPL	UNEP Environment Fund programme activities	15 269	(40)	15 229	-	17	86 468	78 935	22 780
RAL	UNEP Environment Fund Programme reserve activities	1 255	(5)	1 248	-	2	2 122	1 473	1 898
<b>Net total</b>		<b>83 826</b>	<b>19 785</b>	<b>103 610</b>	<b>-</b>	<b>146</b>	<b>73 875</b>	<b>103 885</b>	<b>73 746</b>

## Annex II

### Other support to the programme of work segment of the United Nations Environment Programme

#### Schedule of net assets, revenue and expense at fund level for the year ended 31 December 2024

(Thousands of United States dollars)

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve – unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
CBL	Trust fund for the capacity-building initiatives for Transparency of the Global Environment Facility	7 990	(12)	7 978	-	8	60	4 009	4 037
CCL	Technical cooperation trust fund for the management of the United Nations Environment Programme (UNEP)/Global Environment Facility special climate change fund programme	2 985	(8)	2 977	-	6	(326)	786	1 871
FBL	Technical cooperation trust fund for the implementation of the Global Environment Facility fee-based system for funding project implementation	27 663	(173)	27 490	-	105	16 822	15 123	29 294
GFL	Technical cooperation trust fund for UNEP's implementation of the activities funded by the Global Environment Facility	801 835	(175)	801 660	-	137	229 341	116 068	915 070
LDL	Technical cooperation Trust Fund for the management of the UNEP/Global Environment Facility national adaptation programme of action for least developed countries	85 356	(43)	85 313	-	29	7 683	11 847	81 178
NPL	Technical Cooperation Trust Fund for the Management of UNEP/GEF Nagoya Protocol implementation fund	2 170	(5)	2 165	-	4	(117)	309	1 743
<b>Global Environment Facility trust fund: totals</b>		<b>927 999</b>	<b>(416)</b>	<b>927 583</b>	<b>-</b>	<b>289</b>	<b>253 463</b>	<b>148 142</b>	<b>1 033 193</b>
AEL	General trust fund for the purpose of post-conflict environmental assessment	1 358	(6)	1 352		(1)	4 878	5 012	1 217
AFB	Technical cooperation trust fund for UNEP activities as multilateral implementing entity of the Adaptation Fund Board	16 378	(17)	16 361	-	11	9 671	2 717	23 326

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve – unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
AML	General trust fund for the African Ministerial Conference on the Environment	4 001	(8)	3 993	-	5	265	(18)	4 281
BPL	Technical cooperation trust fund for the implementation of the agreement with Belgium	847	(1)	846	-	1	17	314	550
CFL	Technical cooperation trust fund for the implementation of the framework agreement on strategic cooperation between the Ministry of Environmental Protection of China and UNEP	3 422	(10)	3 412	-	7	155	507	3 067
CLL	Trust fund to support the activities of the Climate Technology Centre and Network	22 186	(62)	22 124	-	41	8 674	8 294	22 545
CML	Trust fund for the special programme in support to institutional strengthening at the national level to enhance implementation of the Basel, Rotterdam and Stockholm Conventions, the Minamata Convention on mercury and the Strategic Approach to International Chemicals Management	11 015	(51)	10 964	-	35	3 505	5 112	9 392
CNL	Technical cooperation trust fund for the UNEP climate-neutral fund	726	(3)	723	-	1	435	310	849
CPL	Counterpart contributions in support of Environment Fund activities	328 755	(769)	327 986	-	456	192 897	147 238	374 101
CSS	UNEP General Trust Fund for Climate Stability	11 472	(26)	11 446	-	17	3 963	4 582	10 844
DPL	Technical cooperation trust fund for the partnership agreement between the Government of the Netherlands and UNEP	21	-	21	-	-	(14)	-	7
ECL	Technical cooperation trust fund to support achievement of contribution agreement No. 21 (0401/2011/608174/SUB/E2) Strategic Cooperation Agreement between European Commission – DG Environment and UNEP	2 707	(94)	2 613	-	59	8 622	7 865	3 429
ESS	Technical cooperation trust fund for UNEP's implementation of ecosystem-based adaptation	108 071	(277)	107 794	-	174	14 329	13 435	108 862
ETL	Trust fund for the environmental training network in Latin America and the Caribbean	348	(1)	347	-	-	32	102	277
EUL	Technical cooperation trust fund to support achievement of contribution agreement No. DCI-	251	-	251	-	1	11	13	250

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve – unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
FIL	ENV/2010/258-800 – Strategic Cooperation Agreement between European Commission – DG Development and Cooperation and UNEP General trust fund to support the activities of the UNEP financial services initiative on the environment	40 324	(68)	40 256	-	33	24 145	18 429	46 005
FRL	UNEP Environment Fund holding fund for cash transactions of UNEP Economy Division – Environment Fund support budget – counterpart contributions	54	-	54	-	-	3	-	57
FSL	Technical cooperation trust fund to support implementation of the Seed Capital Assistance Facility	15 332	(44)	15 288	-	32	538	3 868	11 990
FTL	Trust Fund for Revolving Fund Activities	107	-	107	-	-	14	49	72
GCF	General Trust Fund to Support the Activities of the Green Climate Fund Operating Under the Accreditation Master Agreement	147 929	(188)	147 741	-	128	67 788	37 361	178 296
GCL	General Trust Fund to Support the Activities of the Green Climate Fund Operating Under the Framework Readiness and Preparatory Support Grant Agreement	60 321	(100)	60 221	-	63	8 025	9 257	59 052
GPL	General trust fund in support of the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, and related information exchange and technical assistance	361	(1)	360	-	1	14	120	255
GPP	Trust fund to assist delegates from developing countries, least developed countries, landlocked developing countries and small island developing States in attending the sessions of the ad hoc open-ended working group	7	-	7	-	-	-	-	7
GPS	Trust fund for activities and functions of the Secretariat and organization of meetings and consultations in respect of the Global Pact for the Environment	3	-	3	-	1	-	-	4
GRL	Technical cooperation trust fund for the implementation of the greening economies in the	31	-	31	-	-	2	-	33

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve – unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
	Eastern neighbourhood and Central Asia programme								
IAL	Technical cooperation trust fund for Irish Aid multilateral environment fund for Africa	137	-	137	-	-	6	-	143
IEL	Technical cooperation trust fund for Priority Projects to improve the environment in the Democratic People's Republic of Korea	-	-	-	-	-	-	-	-
IML	Technical cooperation trust fund for UNEP implementation of the Multilateral Fund activities	57 391	(161)	57 230	-	78	44 668	26 287	75 689
JCL	Technical cooperation trust fund for the establishment of the International Environmental Technology Centre in Japan	5 315	(16)	5 299	-	10	1 881	1 902	5 288
LHN	UNEP General Trust Fund for Living in Harmony with Nature	9 896	(21)	9 875	-	18	427	4 041	6 279
MCL	General trust fund in support of the preparation of a global assessment of mercury and its compounds	5 831	(18)	5 813	-	12	(1 038)	2	4 785
MDL	Technical cooperation trust fund for UNEP implementation of the Millennium Development Goals achievement fund	131	-	131	-	-	7	(2)	140
MOL	General trust fund to support the activities of the Montevideo programme – V	1 456	(6)	1 450	-	2	950	411	1 991
NFL	Technical cooperation trust fund for the implementation of the framework agreement between UNEP and the Government of Norway	2 390	(6)	2 384	-	4	5 907	1 911	6 384
PFP	General trust fund for pollution free planet	10 276	(12)	10 264	-	6	(185)	2 340	7 745
PGL	Technical cooperation trust fund for the implementation of the Partnership for Action on Green Economy	6 490	(20)	6 470	-	14	2 910	4 019	5 375
POL	General trust fund in support of the preparation for and negotiation of an internationally legally binding instrument for international action on persistent organic pollutants, and related information exchange and Technical Assistance Activities	471	(1)	470	-	1	24	-	495

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve – unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
QGL	Support of the Global Environment Facility Technical cooperation trust fund to support the	2 145	(7)	2 138	-	5	44	488	1 699
RED	UNEP programme of work and responsibilities of the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries	11 547	(21)	11 526	-	13	10 934	11 991	10 482
REL	Technical cooperation trust fund for the promotion of renewable energy in the Mediterranean region	5 580	(8)	5 572	-	-	5 615	3 499	7 688
RPL	General trust fund to support participation of developing Countries in a Regular Process for Reporting and Assessment of the State of the Marine Environment	4	-	4	-	-	-	-	4
SCP	Technical cooperation trust fund for the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns	3 586	(10)	3 576	-	6	3 030	1 913	4 699
SEL	Technical cooperation trust fund for the implementation of the agreement with Sweden	19 056	(19)	19 037	-	10	(64)	6 087	12 896
SFL	Technical cooperation trust fund for implementation of the framework agreement between Spain and UNEP	360	(1)	359	-	1	(155)	2	203
SLP	Trust fund to support the activities of the Climate and Clean Air Coalition to Reduce Short-lived Climate Pollutants	56 820	(131)	56 689	-	74	22 508	14 759	64 512
SML	General trust fund for the Strategic Approach to International Chemicals Management: quick start programme	26 399	(73)	26 326	-	37	4 487	524	30 326
UTL	Technical cooperation trust fund for the implementation of the UNEP/United Nations Conference on Trade and Development capacity-building task force on trade, environment, and development	52	-	52	-	0	3	-	55
WPL	General trust fund to provide support to the Global Environment Monitoring System/Water Programme office and to Promote its Activities	65	-	65	-	-	(40)	-	25
FEC	General Trust fund for the core activities of the “Faith for Earth Coalition” of UNEP	5	-	5	-	-	-	-	5



<i>Fund ID</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve – unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
<b>Other support to UNEP programme of work (non-Global Environment Facility trust fund non-Junior Professional Officer): total</b>		<b>1 001 430</b>	<b>(2 257)</b>	<b>999 173</b>	<b>-</b>	<b>1 356</b>	<b>449 888</b>	<b>344 741</b>	<b>1 105 676</b>
TBL	Technical cooperation trust fund for provision of Junior Professional Officers (financed by the Government of Belgium)	54	(1)	53	-	1	234	100	188
CEL	Technical cooperation trust fund for financing of Junior Professional Officers (financed by the Government of Finland)	439	(1)	438	-	2	113	111	442
SNL	Technical Cooperation Trust Fund for Provision of Junior Professional Officers (Financed by the Government of Switzerland)	217	(1)	216	-	0	120	137	199
TCL	Technical cooperation trust fund for the provision of Junior Professional Officers (financed by the Nordic Governments through the Government of Sweden)	312	(1)	311	-	1	16	-	328
TDL	Special purpose trust fund for the Government of Denmark agreement with UNEP for the provision of Junior Professional Officers	5	-	5	-	-	-	-	5
TGL	Special purpose trust fund for the provision of Junior Professional Officers (financed by the Government of Germany)	1 586	(5)	1 581	-	3	1 594	1 236	1 942
THL	Technical cooperation trust fund for the provision of Junior Professional Officers (financed by the Government of the Netherlands)	532	(2)	530	-	1	165	264	432
TIL	Technical cooperation trust fund for the provision of Junior Professional Officers (financed by the Government of Italy)	460	(1)	459	-	1	244	230	474
TJL	Technical cooperation trust fund for the provision of Junior Professional Officers (financed by the Government of Japan)	1 566	(7)	1 559	-	4	1 454	875	2 142
TKL	Technical cooperation trust fund for the provision of Junior Professional Officers (financed by the Government of the Republic of Korea)	940	(2)	938	-	1	543	429	1 053

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
TNL	Special purpose trust fund for the Government of Norway's agreement with UNEP for the provision of Junior Professional Officers	735	(2)	733	-	1	183	117	800
TPL	Technical Cooperation Trust Fund for Financing of Junior Professional Officers by the Spanish Agency for International Development Cooperation (AECID)	170	(1)	169	-	-	9	-	178
TRL	Technical cooperation trust fund for the provision of Junior Professional Officers (financed by the Government of France)	1 055	(3)	1 052	-	2	342	450	946
TSL	Technical cooperation trust fund for the provision of Junior Professional Officers (financed by the Government of Sweden)	630	(2)	628	-	1	97	117	609
<b>Trust funds for Junior Professional Officers: total</b>		<b>8 701</b>	<b>(29)</b>	<b>8 672</b>	<b>-</b>	<b>18</b>	<b>5 114</b>	<b>4 067</b>	<b>9 738</b>
<b>Other support to UNEP programme of work: total</b>		<b>1 938 130</b>	<b>(2 702)</b>	<b>1 935 428</b>	<b>-</b>	<b>1 663</b>	<b>708 465</b>	<b>496 949</b>	<b>2 148 607</b>
<b>Fund IML financial statement elimination</b>		<b>(57 230)</b>		<b>(57 230)</b>	<b>(18 454)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(75 684)</b>
<b>Net total</b>		<b>1 880 900</b>	<b>(2 702)</b>	<b>1 878 198</b>	<b>(18 454)</b>	<b>1 663</b>	<b>708 465</b>	<b>496 949</b>	<b>2 072 923</b>

## Annex III

### Conventions and protocols segment

#### Schedule of net assets, revenue, and expense at fund level for the year ended 31 December 2024

(Thousands of United States dollars)

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
BDL	Trust fund to assist developing countries and other countries in need of technical assistance in the implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal	21 069	(60)	21 009	-	44	2 121	6 324	16 850
BCL	Trust Fund for the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal	5 593	746	6 339	-	13	5 521	5 394	6 479
ROL	General trust fund for the operational budget of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade	5 085	926	6 011	-	7	4 793	4 283	6 528
SCL	General trust fund for the Stockholm Convention on Persistent Organic Pollutants, its subsidiary bodies, and the Convention Secretariat.	4 011	919	4 930	-	8	6 634	6 432	5 140
RSL	Technical cooperation trust fund to support implementation of the Rotterdam and Stockholm Conventions in developing countries	-	-	-	-	-	-	-	-
RVL	Special Trust Fund for the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade	2 171	(7)	2 164	-	5	1 043	668	2 544
SVL	Special trust fund for the Stockholm Convention its Subsidiary Bodies and the Convention Secretariat	5 683	430	6 113	-	12	4 953	2 906	8 172
<b>Basel, Rotterdam, and Stockholm Conventions: total</b>		<b>43 612</b>	<b>2 954</b>	<b>46 566</b>	<b>-</b>	<b>89</b>	<b>25 065</b>	<b>26 007</b>	<b>45 713</b>
QCL	Support of the Cartagena Convention Action Plan for the Caribbean Environment Programme	4 206	(6)	4 200	-	5	139	436	3 908
CRL	Regional trust fund for implementation of the Action Plan for the Caribbean Environment Programme	2 589	309	2 898	126	(122)	1 355	1 585	2 672

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
<b>Caribbean Environment Programme: total</b>		<b>6 795</b>	<b>303</b>	<b>7 098</b>	<b>126</b>	<b>(117)</b>	<b>1 494</b>	<b>2 021</b>	<b>6 580</b>
CAP	Trust fund for the core budget of the Framework Convention on the Protection and Sustainable Development of the Carpathians and related protocols	2 010	(5)	2 005	-	4	588	551	2 046
CAR	Trust fund for the core budget of the Carpathian Convention	1 412	(4)	1 408	-	3	317	209	1 519
<b>Carpathian Convention: total</b>		<b>3 422</b>	<b>(9)</b>	<b>3 413</b>	<b>-</b>	<b>7</b>	<b>905</b>	<b>760</b>	<b>3 565</b>
BEL	General trust fund for additional voluntary contributions in support of approved activities under the Convention on Biological Diversity	27 424	(69)	27 355	-	44	5 268	8 668	23 999
BBL	Trust fund for the core programme budget for the Nagoya Protocol	1 817	412	2 229	(4)	7	2 899	2 610	2 521
BGL	General trust fund for the core programme budget for the Biosafety Protocol	4 642	468	5 110	(4)	15	3 466	3 530	5 057
BYL	General trust fund for the Convention on Biological Diversity	10 711	2 284	12 995	(22)	42	16 012	16 265	12 762
BZL	General trust fund for voluntary contributions to facilitate the participation of parties in the process of the Convention on Biological Diversity	2 058	(6)	2 052	-	4	1 312	2 246	1 122
VBL	General trust fund for voluntary contributions to facilitate the participation of indigenous and local communities in the work of the Convention on Biological Diversity	611	(2)	609	-	2	171	347	435
<b>Convention on Biological Diversity: total</b>		<b>47 263</b>	<b>3 087</b>	<b>50 350</b>	<b>(30)</b>	<b>114</b>	<b>29 128</b>	<b>33 666</b>	<b>45 896</b>
EAP	Multi-donor Technical Cooperation Trust Fund for the Implementation of the African Elephant Action Plan	1 445	(5)	1 440	-	3	239	(96)	1 778
QTL	Support of activities related to the Convention on International Trade in Endangered Species of Wild Fauna and Flora	36 746	(94)	36 652	-	63	3 946	10 223	30 438
CTL	Trust fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora	6 275	948	7 223	(91)	101	7 021	7 867	6 387

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
<b>Convention on International Trade in Endangered Species of Wild Fauna and Flora: total</b>		<b>44 466</b>	<b>849</b>	<b>45 315</b>	<b>(91)</b>	<b>167</b>	<b>11 206</b>	<b>17 994</b>	<b>38 603</b>
AVL	General trust fund for voluntary contributions in respect of the Agreement on the Conservation of African-Eurasian Migratory Waterbirds	1 584	(4)	1 580	-	4	439	437	1 586
MRL	Technical cooperation trust fund on the Conservation and Management of Marine Turtles and their Habitats of the Indian Ocean and Southeast Asia	456	(1)	455	-	1	244	296	404
MVL	General trust fund for voluntary contributions in support of the Convention on the Conservation of Migratory Species of Wild Animals	16 028	(28)	16 000	-	18	2 741	5 675	13 084
QFL	General trust fund for voluntary contributions in support of the secretariat of the Agreement on the Conservation of Populations of European Bats	69	-	69	-	(1)	96	112	52
AWL	General trust fund for the African-Eurasian Waterbirds Agreement	380	193	573	(17)	18	1 393	1 577	390
BAL	General trust fund for the conservation of small cetaceans of the Baltic, North-East Atlantic, Irish and North Seas	250	46	296	(1)	3	281	300	279
BTL	General trust fund for the conservation of European bats	144	95	239	-	-	577	634	182
MSL	Trust fund for the Convention on the Conservation of Migratory Species of Wild Animals	4 508	486	4 994	-	7	3 531	3 772	4 760
QVL	General Trust Fund in support of the secretariat of the Agreement on the Conservation of Small Cetaceans of the Baltic, North-East Atlantic, Irish and North Seas	148	-	148	-	1	75	64	160
QWL	Support of the Convention on the Conservation of Migratory Species of Wild Animals	282	(1)	281	-	1	14	-	296
SMU	Trust fund to support the activities of the secretariat of the memorandum of understanding on the conservation of migratory sharks	910	96	1 006	-	1	273	345	935
<b>Convention on the Conservation of Migratory Species of Wild Animals: total</b>		<b>24 759</b>	<b>882</b>	<b>25 641</b>	<b>(18)</b>	<b>53</b>	<b>9 664</b>	<b>13 212</b>	<b>22 128</b>
CAL	Support of the Mediterranean Action Plan (financed by the Government of Greece)	2 152	(4)	2 148	-	1	85	360	1 874

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve – unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
QML	Support of the Mediterranean Action Plan	7 334	(20)	7 314	-	10	2 352	3 733	5 943
MEL	Trust fund for the protection of the Mediterranean Sea against pollution	4 820	1 298	6 118	(66)	76	6 618	7 701	5 045
<b>Mediterranean Action Plan: total</b>		<b>14 306</b>	<b>1 274</b>	<b>15 580</b>	<b>(66)</b>	<b>87</b>	<b>9 055</b>	<b>11 794</b>	<b>12 862</b>
QNL	Support of the North-West Pacific Action Plan	4 384	(13)	4 371	-	7	1 484	729	5 133
PNL	Technical cooperation trust fund on the Conservation and Management of Marine Turtles and their Habitats of the Indian Ocean and Southeast Asia	2 198	69	2 267	-	3	581	377	2 474
<b>Northwest Pacific Action Plan: total</b>		<b>6 582</b>	<b>56</b>	<b>6 638</b>	<b>-</b>	<b>10</b>	<b>2 065</b>	<b>1 106</b>	<b>7 607</b>
QOL	Support of the activities of the Ozone Secretariat	178	(1)	177	-	-	280	348	109
MPL	Trust fund for the Montreal Protocol on Substances that Deplete the Ozone Layer	6 439	854	7 293	(29)	46	4 091	5 481	5 920
VCL	Trust fund for the Vienna Convention for the Protection of the Ozone Layer	2 509	213	2 722	85	(79)	899	1 426	2 201
SOL	General trust fund for financing activities on research and Systematic Observation to the Vienna Convention.	389	(1)	388	-	(1)	163	55	495
<b>Ozone: total</b>		<b>9 515</b>	<b>1 065</b>	<b>10 580</b>	<b>56</b>	<b>(34)</b>	<b>5 433</b>	<b>7 310</b>	<b>8 725</b>
QAC	Support for the Convention for Cooperation in the Protection, Management and Development of the Marine and Coastal Environment of the Atlantic Coast of the West, Central and Southern Africa Region	895	(2)	893	-	-	51	139	805
QAW	Support of the Action Plan for the Protection, Management and Development of the Marine and Coastal Environment of the Eastern African Region	7 684	(10)	7 674	-	5	5 932	3 203	10 408
QEL	Support of the Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Seas	854	(2)	852	-	1	17	174	696
EAL	Regional seas trust fund for the Eastern African region	1 970	69	2 039	16	(12)	434	710	1 767
ESL	Regional trust fund for implementation of the Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Seas	760	65	825	18	(16)	364	486	705

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
WAL	Trust fund for the Convention for Cooperation in the Protection, Management and Development of the Marine and Coastal Environment of the Atlantic Coast of the West, Central and Southern African Region	1 218	129	1 347	-	(2)	762	1 156	951
<b>Regional seas total</b>		<b>13 381</b>	<b>249</b>	<b>13 630</b>	<b>34</b>	<b>(24)</b>	<b>7 560</b>	<b>5 868</b>	<b>15 332</b>
MCC	Trust fund for core activities under the Minamata Convention	2 777	506	3 283	(222)	229	3 762	3 476	3 576
MCP	Trust fund for activities relating to the Specific International Programme of the Minamata Convention on Mercury	5 179	(13)	5 166	-	6	751	782	5 141
MCV	Trust fund for voluntary activities relating to the Minamata Convention	1 806	(7)	1 799	-	4	1 723	1 294	2 232
<b>Minamata Convention: total</b>		<b>9 762</b>	<b>486</b>	<b>10 248</b>	<b>(222)</b>	<b>239</b>	<b>6 236</b>	<b>5 552</b>	<b>10 949</b>
BML	Trust fund for the Bamako Convention core programme budget, United Nations Environment Programme	275	-	275	-	-	-	55	220
BRL	Trust fund for the revolving fund activities of the Bamako Convention	2 102	-	2 102	-	2	(2 393)	(486)	197
BWL	Special Trust Fund for Voluntary Contribution in support of the Bamako Convention	-	-	-	-	-	-	-	-
<b>Bamako Convention: total</b>		<b>2 377</b>		<b>2 377</b>	<b>-</b>	<b>2</b>	<b>(2 393)</b>	<b>(431)</b>	<b>417</b>
PES	Trust fund for the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services	10 149	1 011	11 160	40	(17)	8 859	9 002	11 040
<b>Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services: total</b>		<b>10 149</b>	<b>1 011</b>	<b>11 160</b>	<b>40</b>	<b>(17)</b>	<b>8 859</b>	<b>9 002</b>	<b>11 040</b>

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve – unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
SRL	General trust fund for voluntary contributions in respect of the United Nations Scientific Committee on the Effects of Atomic Radiation	390	(1)	389	-	1	86	306	170
	<b>United Nations Scientific Committee on the Effects of Atomic Radiation: total</b>	<b>390</b>	<b>(1)</b>	<b>389</b>	<b>-</b>	<b>1</b>	<b>86</b>	<b>306</b>	<b>170</b>
PCL	General Trust Fund to Support the Activities of Tehran Convention	-	-	-	-	(1)	3 363	688	2 674
	<b>Conventions and protocols total</b>	<b>236 779</b>	<b>12 206</b>	<b>248 985</b>	<b>(171)</b>	<b>577</b>	<b>117 726</b>	<b>134 856</b>	<b>232 261</b>



## Annex IV

### Multilateral Fund segment

#### Schedule of net assets, revenue, and expense at fund level for the year ended 31 December 2024

(Thousands of United States dollars)

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
MFL	Trust fund for the Multilateral Fund under the Montreal Protocol on Substances that Deplete the Ozone Layer	783 090	(2 030)	781 060	-	1 189	214 212	135 934	860 527
<b>Net totals</b>		<b>783 090</b>	<b>(2 030)</b>	<b>781 060</b>	<b>-</b>	<b>1 189</b>	<b>214 212</b>	<b>135 934</b>	<b>860 527</b>

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## Annex V

### Programme support segment

#### Schedule of net assets, revenue and expense at fund level for the year ended 31 December 2024

(Thousands of United States dollars)

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulate d surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
ECR	Cost recovery	3 659	(10)	3 649	-	7	8 975	9 868	2 763
OTA	UNEP trust fund programme support cost	29 975	6 291	36 266	-	53	42 214	29 655	48 878
<b>Net totals</b>		<b>33 634</b>	<b>6 281</b>	<b>39 915</b>	<b>-</b>	<b>60</b>	<b>51 189</b>	<b>39 523</b>	<b>51 641</b>

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## Annex VI

### End-of-service and post-retirement benefits segment

#### Schedule of net assets, revenue and expense at fund level for the year ended 31 December 2024

(Thousands of United States dollars)

<i>Fund ID code</i>	<i>Fund description</i>	<i>Net asset accumulated surplus – unrestricted</i>	<i>Net asset reserve unrestricted</i>	<i>Net assets 1 January 2024</i>	<i>Changes in Net asset accumulated surplus – unrestricted</i>	<i>Changes in Net asset reserve unrestricted</i>	<i>Revenue</i>	<i>Expense</i>	<i>Net assets 31 December 2024</i>
AAL	After-service health insurance	(129 436)	(169)	(129 605)	(5 365)	85	17 319	9 736	(127 302)
ALL	Annual leave	(16 308)	-	(16 308)	712	-	209	182	(15 569)
RGL	Repatriation benefits	38 465	(206)	38 259	(39)	120	8 296	457	46 179
<b>Net totals</b>		<b>(107 279)</b>	<b>(375)</b>	<b>(107 654)</b>	<b>(4 692)</b>	<b>205</b>	<b>25 824</b>	<b>10 375</b>	<b>(96 692)</b>