International Agency for Research on Cancer

World Health Organization

Governing Council
Sixty-sixth Session

GC/66/7-Revision 1
9 May 2024

Lyon, 15–16 May 2024
Hybrid format

FINANCIAL REPORT,
REPORT OF THE EXTERNAL AUDITOR,
AND FINANCIAL STATEMENTS

For the year ended 31 December 2023

2023

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DIRECTOR'S FINANCIAL REPORT

INTRODUCTION

1. The annual financial report of the Agency for the year ended 31 December 2023 is submitted in accordance with Article VI, Paragraph 6.1 of the IARC Financial Regulations. The financial statements and notes to the financial statements of the Agency have been prepared in full compliance with International Public Sector Accounting Standards (IPSAS), which continues to bring greater transparency, consistency, comparability and reliability of financial information, and higher standards of financial reporting.

2. This financial report includes the Statement on Internal Control that provides specific assurance on the effectiveness of internal control in IARC.

3. The statutory components of this report have been audited by the External Auditor, the Comptroller and Auditor General of India. The report of the External Auditor, together with his unqualified (clean) opinion on the financial statements, is included in this report in accordance with Article VI, Paragraph 6.2 of the IARC Financial Regulations.

FINANCIAL HIGHLIGHTS

4. IARC's main funding source came from the assessed contributions from Participating States, followed by voluntary contributions (including research grants). In 2023, 97% of IARC's activities were financed from these two funding sources. The rest was financed from the Governing Council Special Fund and the Special Account for Programme Support Cost.

5. The net assets/equity of the Agency as at the end of 2023 was €9.41 million, compared to €9.11 million at the end of 2022.

6. As shown on the Statement of Financial Performance, total revenue recognized during 2023 exceeded the total expenses, resulting in €2.76 million surplus. This surplus is partly due to the net foreign exchange gain of €2.35 million (loss of €4.26 million in 2022).

7. The cash flow of the Agency has increased by €3. 5 million from the prior year.

Regular budget and budget utilization

8. The regular budget 2022–2023 was approved by the Governing Council in May 2021 amounting to €45.37 million, fully funded from assessed contributions from Participating States, of which €22.41 million was allocated to 2022 and €22.96 million was allocated to 2023.

9. As at 31 December 2023, the collection of 2023 budgeted assessed contributions was at 88.25% detailed in Schedule 3.

10. Total expenses and capital expenditure charged against the regular budget approved for 2023 amounted to €24.89 million. At the end of the reporting period, €1.022 million were earmarked for encumbrances for delivery in 2024.

11. The budget utilization (expenditures and encumbrances) rate for biennium 2022–2023 was at 100%. Figure 1 below shows the breakdown of budget utilization by six main Objectives in comparison to the initial budget approved by the Governing Council as presented in Statement V.

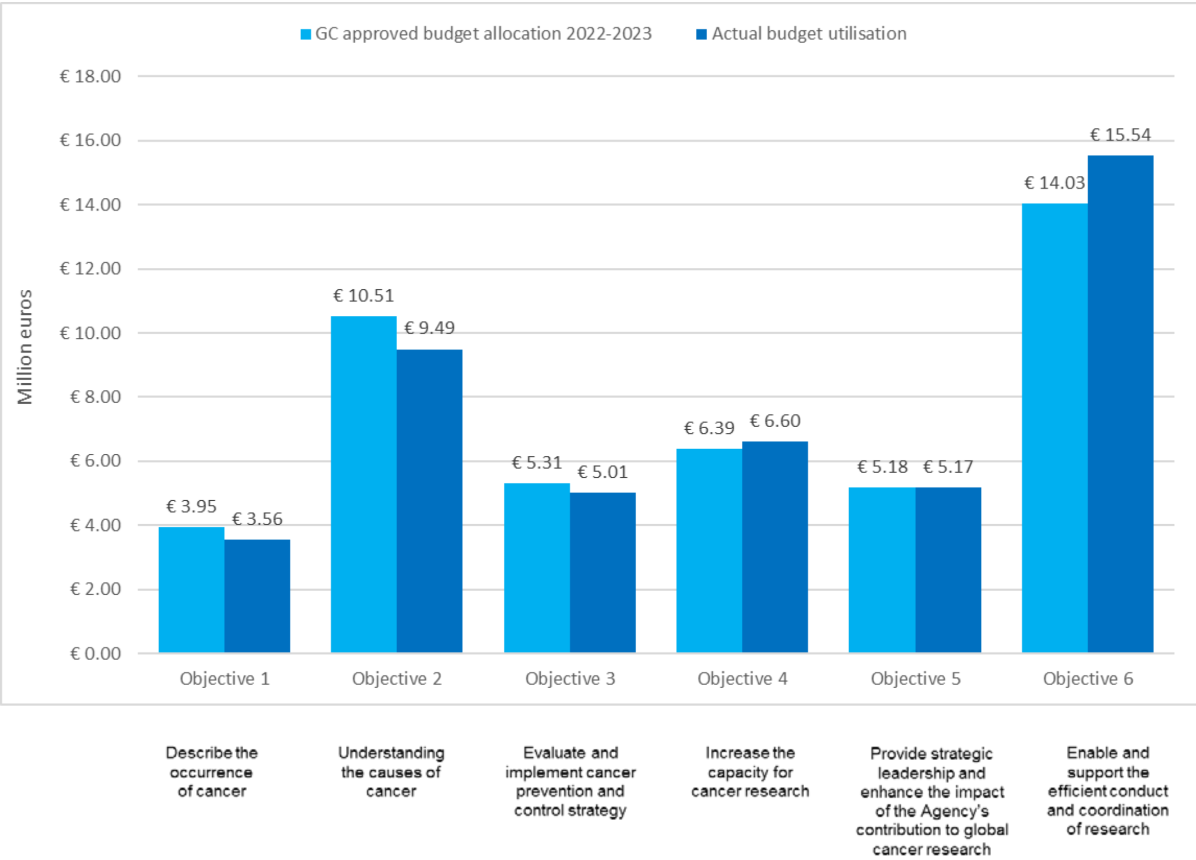

Figure 1: Approved regular budget and actual budget utilization in 2022–2023

12. Authorized by the Governing Council under Resolution GC/63/R6, paragraph 5, the Director approved budget transfers between sections during the year, not exceeding 15% of the section's budget from which the credit was transferred.

13. The exchange rate applied by the Governing Council when approving the 2022–2023 budget was €0.907/US$. The average United Nations Operational Rates of Exchange for the year 2023 was €0.925/US$. The depreciation of the value of the euro in 2023 resulted in total financial costs of €0.010 million. The Agency covered these unforeseen costs related to currency realignments from the budgetary provision authorized in Resolution GC/63/R6, paragraph 6.

Voluntary Contributions

14. The Voluntary Contributions Account comprises designated contributions, undesignated contributions and the Core Voluntary Contribution Account (CVCA). Designated contributions are specifically earmarked by the donor to finance special projects while undesignated contributions and CVCA do not have these conditions attached.

15. CVCA was established in 2019 to receive supplementary funds from Participating States to finance IARC's core activities (Resolution GC/61/R5, paragraph 9). In 2023, additional contributions amounting to €0.482 million were received to supplement the 2022–2023 biennium regular budget as follows:

Germany	€450 000
United Kingdom of Great Britain and Northern Ireland	€32 820
Total	€482 820

16. The recognition of revenue from Voluntary Contributions depends on conditions set in the agreements. The total revenue of the Voluntary Contributions Account recognized during 2023 amounted to €20.37 million as shown in Statement II, of which 0.1% was against undesignated voluntary contributions. Information document GC/65/Inf.Doc. No.3 provides additional details on the Voluntary Contributions.

Expenses

17. Total expenses incurred in 2023 amounted to €45.6 million. 54.6% were charged on regular budget, 42.7% on voluntary contributions, and the remaining 2.76% on other funds.

18. About 55.1% of expenses were staff costs, 6.7% were costs of Early Career and Visiting Scientists (ECVS), and the remaining 38.2 % were activity costs.

19. The most significant activity costs were procurement and other operating expenses (21.9%), Collaborative Research Agreements (9.9%), as well as Agreement for Performance of Work (APWs) and consultants (2.6%). Temporary assistants, advisors and participants costs were 5.8% and travel costs were 1.7%. Main increase is on procurement and other operating expenses (€9.98 million in 2023 compared to €5.88 million in 2022), due to posting of (in-kind) rental expense of the new building (€2.7 million), increase in energy prices due to the energy crisis and additional one-time costs related to the move to the new building.

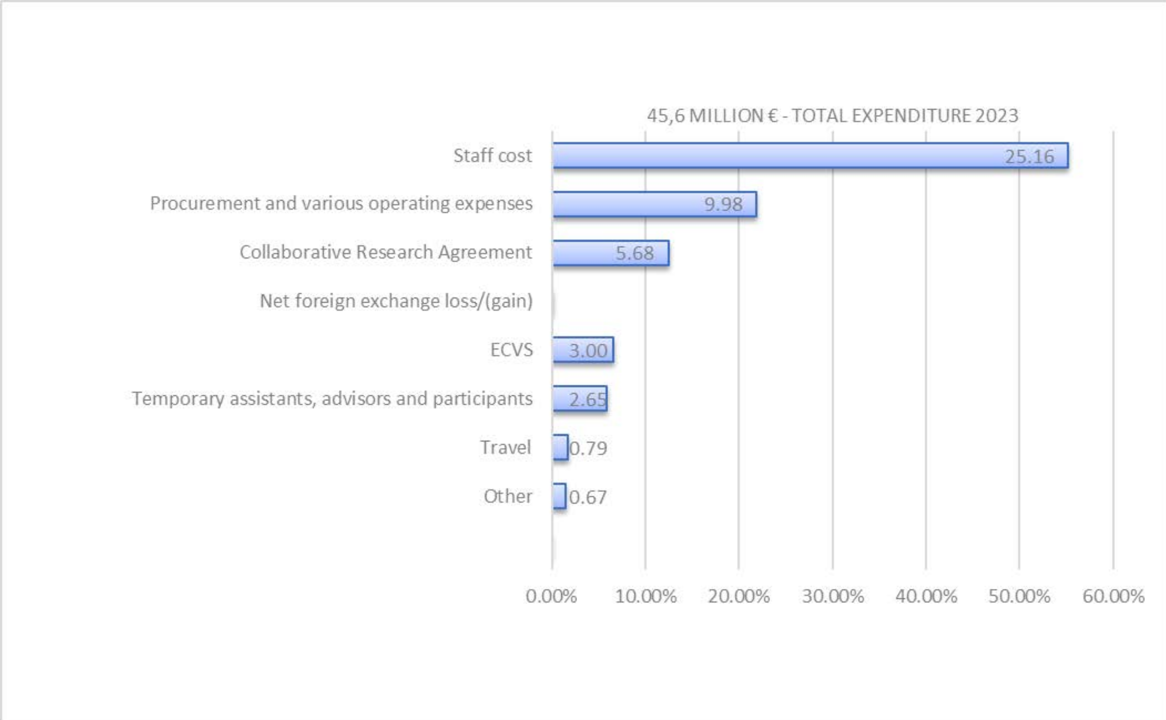

Figure 2: Total expenditure in 2023 on staff, ECVS and activities

Unfunded After Service Health Insurance (ASHI) liabilities and plan to fill the gap

20. As described under Note 5.3 of the financial statements, accrued staff benefit liabilities as at 31 December 2023 amounted to €53.10 million, of which €43.21 million were unfunded.

21. The ASHI funded ratio has improved from 44% in 2022 to 46% in 2023. The net deficit or unfunded ASHI net liabilities increased slightly from €48.23 million in 2022 to €49.96 million in 2023, a net increase of €1.73 million. The improvement in the funded ratio is primarily due to the exchange gain of €2.90 million. The ASHI fund (asset) increased to US$ 48.17 million in 2023 from US$ 40.87 million in 2022 from (or net increase of US$ 7.30 million).

22. In addressing the unfunded ASHI liabilities, IARC follows the plan set by the World Health Organization (WHO). According to the current plan, full funding is expected to be achieved by 2035 through a combination of various cost containment measures, increase of contributions from the organization, and achieving a higher investment return over the long-term time horizon.

23. It is important to recognize that ASHI liabilities are long-term liabilities that do not need to be fully funded now or in the near future, and they do not impact IARC’s healthy operational performance.

REPORT OF THE EXTERNAL AUDITOR

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Our audit aims to provide independent assurance and to add value to the Management of International Agency for Research on Cancer (IARC) by making constructive recommendations.

For further information, please contact:

Ms. Ritu Dhillon,
Director External Audit
WHO, Geneva
E-mail: dhillonr@who.int

Audit of International Agency for Research on Cancer (IARC) For the Financial Year ended 31st December 2023

Report of the External Auditor on the financial statements

Audit Opinion

To the Governing Council of the International Agency for Research on Cancer

Opinion

We have audited the financial statements of the International Agency for Research on Cancer (IARC) which comprise the statement of financial position (statement I) as at 31 December 2023, the statement of financial performance (statement II), the statement of changes in net assets/equity (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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IARC as at 31 December 2023, and its financial performance, changes in net assets/equity, cash flow, comparison of budget and actual amounts 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. 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 IARC 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 ouropinion.

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

Management is responsible for other information. The other information comprises the financial report for the year ended 31 December 2023, 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

Management 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 IARC to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate IARC 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 IARC.

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 skepticism 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; 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 IARC;

(b) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

(c) Draw conclusions as to the appropriateness of the 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 IARC 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 the IARC to cease to continue as a going concern;

(d) 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 significantdeficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of IARC 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 IARC Financial Regulations.

In accordance with Regulation XIV of the WHO Financial Regulations, we have also issued a long-form report on our audit of the International Agency for Research on Cancer.

Girish Chandra Murmu
Comptroller and Auditor General of India

02 April 2024

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Director of the International Agency for Research on Cancer (IARC), I am accountable to the Governing Council for the administration of IARC and implementation of IARC programmes. Under WHO Financial Regulations XII and in accordance with the delegation of authority from the Director-General of the World Health Organization, I am accountable for maintaining a sound internal control to ensure the accomplishment of established objectives and operational goals; the efficient and effective use of IARC resources; the reliability and integrity of information; compliance with policies, plans, procedures, rules and regulations; and the safeguarding of IARC assets. Every individual within IARC has a role in effecting internal control that varies in responsibility and level of involvement.

Purpose of internal control

Internal control is designed to reduce and manage – rather than eliminate – the risk of failure to achieve IARC's aims and objectives. Therefore, it can provide reasonable but not absolute assurance of effectiveness. It is based on a continuous process designed to identify the principal risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically.

Internal control is a key role of management and an integral part of the overall process of managing operations. As such it is the responsibility of IARC management at all levels to:

- establish a control environment and culture that promotes effective internal control;
- identify and assess risks that may affect the achievement of objectives including the risk of fraud and corruption;
- specify and propose policies, plans, operating standards, procedures, systems and other control activities to manage the risks associated with exposure identified;
- ensure an effective flow of information and communication so that all IARC personnel have the information they need to fulfil their responsibilities; and
- monitor the effectiveness of internal control.

IARC's operating environment

IARC operates from a single location, headquartered in Lyon, France. IARC's exposure to challenging operating environments is limited with low levels of inherent risk in terms of the security of employees and its ability to maintain high standards of internal control. IARC staff occasionally visit project sites in countries with security risks and in these cases IARC monitors the security situation in each country in order to mitigate the risk of exposure of its personnel. Significant risks are captured in IARC's Principal Risk Register, subject to regular review by the Senior Advisory Team (SAT) in its function as IARC's Risk Management Committee, chaired by the Director.

IARC's internal control system operates continually to ensure the above objectives through robust internal control processes, embedded in IARC's Enterprise Resource Planning solution and associated systems such as eWorkflows to the extent possible.

The Internal Control Framework and Enterprise Risk Management

The IARC Internal Control Framework (ICF), along with the IARC Enterprise Risk Management (ERM) Policy, and the IARC Management and Corporate Dashboards are critical systems and tools to ensure IARC achieves its mandate and objectives.

The IARC ICF defines roles and responsibilities, accountabilities, and delegations of authority within IARC. Inherent in the ICF is the clear segregation of duties designed to ensure an appropriate level of checks and balances upon the activities of individuals, minimizing the risk of errors or fraud. The ICF is reviewed regularly to ensure its relevance and effectiveness, especially when a new/updated policy, process, or system is implemented. It was last updated in September 2021. Communication on changes to the ICF is provided to IARC personnel as part of the briefing/training on the relevant policy, process, or system being implemented/amended.

The IARC ERM Policy was issued in October 2014. The objectives of IARC's risk management approach are twofold: to support informed decision making and to embed risk management in corporate operational processes. The key objective of corporate risk management at IARC is to ensure that the organization understands the risks inherent to its operations and chooses the appropriate strategy to manage them.

In 2017, IARC's Risk Management Tool was further expanded, based on lessons learned from previous years, since the introduction of the IARC Risk Log in 2014. In 2019, WHO's simplified online Risk Management Tool was adopted with slight modifications by IARC. IARC Branches have used the new tool to identify risks related to their work plans, evaluate those risks according to their likely impact and probability and develop risk response plans to address them. Every IARC member of personnel is expected to identify risks at their own level with escalation coming through communication to Branch Heads, who are represented on the SAT. This bottom-up risk management process is complemented with a top-down phase of validation and escalation. The most significant risks encountered by IARC in achieving its mandate are then reflected in a corporate level risk register, which is discussed and reviewed regularly by the SAT, functioning by extension as IARC's Risk Management Committee. In 2020, IARC's corporate level risk register was renamed into IARC's Principal Risk Register and further adapted to reflect IARC's specific operational needs. The most significant control and risk issues identified in 2023 are listed further below.

IARC Director has the overall responsibility for assessing risks associated with the implementation of programmes and the overall operations of IARC. The Director is assisted in this task by the SAT (acting as IARC's Risk Management Committee), and strategic monitoring and reporting tools, such as the IARC Management Dashboard.

Review of effectiveness of internal controls

The review of the effectiveness of IARC's internal control is mainly based on the following:

- The internal control self-assessment checklist that was implemented in 2019 as a pilot and further refined in 2020 and 2021. The checklist was completed and submitted to the Director by responsible SSR unit Heads. The 2023 self-assessment exercise deemed IARC internal controls to be overall strong. Respondents identified opportunities for improvement in some functional areas. The results of the self-assessment exercise will be carefully reviewed, and action plans developed to address areas for improvement.

- The IARC Director's periodically review of the IARC Management Dashboard, with the participation of the Director of Administration and Finance (DAF) and the Administration and Finance Officer (AFO), allows to monitor and verify compliance, identify trends, and address problematic areas, as early as possible.
- The Annual External Audit Report issued by the IARC External Auditor provides independent oversight and reporting on IARC's compliance with financial rules and regulations. The Comptroller and Auditor General of India is invited to provide observations and recommendations to the IARC Governing Council. IARC's full compliance with IPSAS has been confirmed by the External Auditor, since its first adoption in 2012.
- The annual scientific peer-reviews carried out by independent Review Panels established by the IARC Scientific Council provide valuable insights to the IARC Director on the quality and relevance of IARC's scientific work. The results of the peer-reviews are reported annually to the Governing Council, holding IARC accountable to its Medium-term Strategy 2021–2025 established by IARC Participating States. In 2023, the Nutrition and Metabolism (NME) Branch was reviewed in detail and obtained outstanding results.
- The biennial report of the IARC Ethics Committee reviews compliance of all IARC scientific projects against IARC's Scientific Code of Conduct. All IARC Ethics Committee members obtained the WHO certificate on Global Health Research Ethics. The work of the IARC Ethics Committee is supported by the IARC Ethics Advisory Group, a small group of international bioethics experts, providing specialist expertise to help resolve complex ethical issues.
- Feedback is obtained from the annual staff Declaration of Interests (DOI) submitted by the IARC Director; DAF; Branch Heads and Deputy Branch Heads; All staff members at P4 and above – referring to the grade of the staff member, not the grade of the post that they occupy; All other Professional staff members in the Director's Office and the Services to Science and Research; Staff members who are responsible for the procurement of goods and services, or who otherwise perform procurement functions, including on an acting basis; and Other staff members at any grade whom the Director identifies as staff members who, by virtue of their functions or other relevant considerations, should file a yearly DOI.

Significant control and risk issues

No significant internal control issues noted in 2023.

Based on consolidated findings of IARC's Principal Risk Register in 2023, the risks with severe inherent risk qualification are listed below. Following the implementation of risk response actions these risks are reduced to 'significant' or 'moderate' residual risk rating.

Risk description	Risk response actions
Due to its **limitations to demonstrate/measure its competitive advantage compared to other research entities coupled with overall capacity constraints in Human Resources**, there is a potential risk that IARC is unable to attract new and retain existing donors, affecting the sustainability of the Agency's funding.	1. Medium-Term Strategy (MTS) 2021–2025 evaluation process to kickstart with Participating States and expert support 2. Increase visibility of IARC 3. Start preparation of 60th anniversary events in 2025 and 2026 4. IARC internal and external communication to be further strengthened 5. Lobby with main donors (European Commission, National Institutes of Health, Cancer Research United Kingdom, Bill and Melinda Gates Foundation, etc.) 6. Strategic focus of grant applications to ensure focus to MTS priorities. Reduce low strategic value grants and focus on high value to ensure support resources are not over stretched and delaying operations 7. Strengthen capacity of HR team and implementation of Business Management System
Due to non-payment of assessed contribution by an IARC Participating State, there is a risk of depletion of IARC's financial reserves thus leading to IARCs core projects not being funded, potentially affecting the effectiveness of IARC and the sustainability of financing for the Agency.	1. Maintain close contact with the concerned Participating State 2. Inform the IARC Governing Council and request their participation in the discussion on the payment of dues 3. Reach out to contacts through Diplomatic channels 4. Seek support from WHO

Conclusion

IARC is committed to addressing the internal control and risk management issues identified above.

All internal controls have inherent limitations – including the possibility of circumvention – and therefore can provide only reasonable assurance. Furthermore, because of changes of conditions, the effectiveness of internal control may vary over time. IARC will continue to evaluate and adapt its internal controls as part of its commitment to continuous improvement in these areas.

In summary, I conclude, to the best of my knowledge and information, that IARC operated satisfactory systems of internal control for the year ended 31 December 2023 in line with its Internal Control Framework.

Elisabete Weiderpass, MD, MSc, PhD

IARC Director

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2023

The appended financial statements numbered I to V, relevant notes to the statements and schedules 1 to 3 are approved.

Charu Mehta
Director of Administration and Finance, a.i.

Elisabete Weiderpass, MD, MSc, PhD
IARC Director

FINANCIAL STATEMENTS

STATEMENT I – Statement of Financial Position

International Agency for Research on Cancer
Statement of Financial Position
As at 31 December 2023
(amount in Euros)

	Notes	As at **31 December 2023**	As at **31 December 2022**
ASSETS	Note 4		
Current assets			
Cash and cash equivalents	4.1	54 216 470	50 694 866
Accounts receivable, net	4.2	22 723 142	20 369 622
Staff receivables	4.3	146 850	115 413
Prepayments	4.4	288 668	251 680
Accrued Interest	4.5	65 437	14 737
Inventories	4.6	753 037	601 421
Total current assets		78 193 604	72 047 739
Non-current assets			
Accounts receivable, net	4.2	16 502 648	17 984 911
Property, plant and equipment - net	4.7	2 247 755	1 786 601
Total non-current assets		18 750 403	19 771 512
TOTAL ASSETS		**96 944 007**	**91 819 251**
LIABILITIES	Note 5		
Current liabilities			
Revenue received in advance	5.1	929 599	936 551
Accounts payable	5.2	1 458 792	1 314 939
Accrued staff benefits	5.3	1 386 660	1 327 697
Deferred revenue	5.4	15 473 104	11 633 555
Total current liabilities		19 248 155	15 212 742
Non-current liabilities			
Accrued staff benefits	5.3	51 714 622	49 744 674
Deferred revenue	5.4	16 568 614	17 748 043
Total non-current liabilities		68 283 236	67 492 717
TOTAL LIABILITIES		**87 531 391**	**82 705 459**
NET ASSETS / EQUITY	Note 6		
Fund			
Regular Budget	6.1	1 022 367	3 418 650
Voluntary Contributions	6.2	23 559 069	23 296 367
Working Capital Fund	6.3	528 006	1 146 100
Other IARC funds			
Governing Council Special Funds	6.4	19 597 328	15 959 677
Special Account for Programme Support Costs	6.5	4 858 165	4 759 672
Participating States - Others	6.6	(40 204 550)	(39 518 905)
Trust Fund	6.7	52 231	52 231
TOTAL NET ASSETS / EQUITY BALANCES		9 412 616	9 113 792
TOTAL LIABILITIES AND NET ASSETS / EQUITY BALANCES		**96 944 007**	**91 819 251**

The section on significant accounting policies and the accompanying notes form part of the financial statements.

STATEMENT II – Statement of Financial Performance

International Agency for Research on Cancer
Statement of Financial Performance
For the year ended 31 December 2023
(amount in Euros)

	Notes	for the year ended **31 December 2023**	for the year ended **31 December 2022**
REVENUE	Note 7		
Assessed contributions	7.1	24 059 755	22 929 634
Voluntary contributions	7.2	20 367 900	25 015 660
Sale of publications	7.3	2 286 521	2 172 647
Other operating revenue	7.4	81 632	648 157
Trust Funds	7.5		1 045
Financial revenue	7.6	1 599 488	228 728
Total revenue		**48 395 296**	**50 995 871**
EXPENSES	Note 8		
Staff cost	8.1	25 164 174	25 995 682
Temporary assistants, advisors and participants	8.2	2 651 356	2 407 659
Fellows	8.3	3 037 864	3 155 558
Duty travel (staff, fellows)	8.4	786 479	700 163
Research and other agreements	8.5	5 684 026	5 152 823
Procurement and various operating expenses	8.6	9 980 779	5 877 893
Cost of distribution and disposal of inventories	8.7	111 552	257 096
Depreciation	8.8	542 371	335 754
Financial cost	8.9	22 508	20 556
Total expenses		**47 981 109**	**43 903 184**
Net foreign exchange loss (gain)	8.10	(2 349 019)	4 256 721
TOTAL SURPLUS (DEFICIT) FOR THE YEAR		**2 763 206**	**2 835 966**

The section on significant accounting policies and the accompanying notes form part of the financial statements.

STATEMENT III – Statement of Changes in Net Assets/Equity

International Agency for Research on Cancer
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2023
(amount in Euros)

	Notes	Balance as at **31 December 2022**	**Surplus (deficit) in 2023**	**Remeasurement Gain/(Loss) on DBO and Plan Asset**	Balance as at **31 December 2023**
Fund					
Non-restricted (Participating States)					
Regular Budget	6.1	3 418 650	(2 396 283)		1 022 367
Working Capital Fund	6.3	1 146 100	(618 094)		528 006
Other IARC Funds	6.4-6.6	(18 799 556)	5 514 881	(2 464 382)	(15 749 057)
Total non-restricted		(14 234 806)	2 500 504	(2 464 382)	(14 198 684)
Restricted					
Voluntary Contributions	6.2	23 296 367	262 704		23 559 071
Trust Fund	6.7	52 231			52 231
Total restricted		23 348 598	262 704		23 611 302
Total net assets/equity balance		**9 113 792**	**2 763 208**	**(2 464 382)**	**9 412 618**

The section on significant accounting policies and the accompanying notes form part of the financial statements.

STATEMENT IV – Statement of Cash Flows

International Agency for Research on Cancer
Statement of Cash Flows
For the year ended 31 December 2023
(amount in Euros)

	Notes	As at **31 December 2023**	As at **31 December 2022**
Cash flow from operating activities			
Net surplus (deficit) for the year		2 763 206	2 835 966
Depreciation	8.8	542 371	335 754
Unrealized (gains)/losses on revaluation	8.10	(2 565 912)	4 201 509
(Increase) decrease in current accounts receivable, current	9	(2 376 877)	(3 158 295)
(Increase) decrease in staff receivables	9	(31 726)	(15 988)
(Increase) decrease in prepayments		(36 988)	239 635
(Increase) decrease in interest receivables		(50 700)	(14 737)
(Increase) decrease in inventories		(151 616)	(296 665)
(Increase) decrease in accounts receivable, non-current	9	1 175 510	(9 206 705)
Increase (decrease) in assessed contributions received in advance		(6 952)	(193 371)
Increase (decrease) in accounts payable	9	144 016	(336 060)
Increase (decrease) in accrued staff benefit, current liabilities		58 963	(20 415)
Increase (decrease) in deferred revenue, current liabilities		3 839 549	1 999 797
Increase (decrease) in accrued staff benefit, non-current liabilities	9	2 401 714	3 836 735
Increase (decrease) in deferred revenue, non-current liabilities		(1 179 429)	9 215 121
Net increase (decrease) in cash flows from operating activities		**4 525 129**	**9 422 281**
Cash flows from investing activities			
(Increase) decrease in property, plant and equipment	9	**(1 003 525)**	**(667 479)**
Net increase (decrease) in cash and cash equivalents		**3 521 604**	**8 754 802**
Cash and cash equivalents at the beginning of the year		**50 694 866**	**41 940 064**
Cash and cash equivalents at the end of the year	4.1	**54 216 470**	**50 694 866**

The section on significant accounting policies and the accompanying notes form part of the financial statements.

The net surplus for 2023 includes the interest received of €1 599 488. The interests have arisen from the deposits held and are classified as part of the operating activities.

STATEMENT V – Statement of Comparison of Budget and Actual Amounts

International Agency for Research on Cancer
Statement of Comparison of Budget and Actual Amounts (Regular Budget Appropriation for 2022-2023)
For the year ended 31 December 2023
(amount in Euros)

Purpose of appropriation	2022-2023 Programme Budget Appropriations				Budget Utilization				
	Approved Appropriations by Governing Council 2022	Approved Appropriations by Governing Council 2023	Transfers (IARC Financial Regulations 3.3)	Effective appropriations	Expenses 2022	Expenses 2023	Encumbrance 2023	Total Utilization	*% utilization*
1. Describe the occurrence of cancer	1 964 811	1 982 875	(386 244)	3 561 442	1 598 643	1 953 856	8 943	3 561 442	*7.85%*
2. Understand the causes of cancer	5 257 612	5 247 814	(1 016 625)	9 488 801	4 017 611	5 360 689	110 501	9 488 801	*20.91%*
3. Evaluate and implement cancer prevention and control strategies	2 676 749	2 633 859	(297 449)	5 013 159	2 006 747	2 876 827	129 585	5 013 159	*11.05%*
4. Increase the capacity for cancer research	3 160 706	3 227 347	212 013	6 600 066	2 920 949	3 595 149	83 968	6 600 066	*14.55%*
5. Provide strategic leadership and enhance the impact of the Agency's contribution to global cancer research	2 634 129	2 550 554	(15 734)	5 168 949	1 628 656	3 224 300	315 993	5 168 949	*11.39%*
6. Enable and support the efficient conduct and coordination of research	6 719 541	7 315 332	1 504 039	15 538 912	6 822 292	8 343 243	373 377	15 538 912	*34.25%*
TOTAL	**22 413 548**	**22 957 781**		**45 371 329**	**18 994 898**	**25 354 064**	**1 022 367**	**45 371 329**	*100.00%*

RECONCILIATION	(see Note 10)	
TOTAL EXPENSES AS PER STATEMENT V		**25 354 064**
a) Time differences:		
Regular Budget expenditure in other periods		**(7 450)**
b) Basis differences:		
Common fund activities		**(612 770)**
Other non-Regular Budget utilisation		20 898 246
Sub-total		**20 285 476**
TOTAL EXPENSES AS PER STATEMENT II		**€ 45 632 090**

The section on significant accounting policies and the accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Reporting entity

The International Agency for Research on Cancer (IARC) is the specialized cancer agency of the World Health Organization (WHO) established by the World Health Assembly in 1965 through its Resolution WHA18.44. IARC has its headquarters in Lyon, France.

The objective of the IARC is to promote international collaboration in cancer research. The Agency is inter-disciplinary, bringing together skills in epidemiology, laboratory sciences and biostatistics to identify the causes of cancer so that preventive measures may be adopted, and the burden of disease and associated suffering reduced. A significant feature of the IARC is its expertise in coordinating research across countries and organizations; its independent role as an international organization facilitates this activity.

The financial records of IARC are not consolidated in the financial statements of the WHO. According to the guidance for determining which entities should be consolidated within an economic entity provided by IPSAS 6, "Consolidated Financial Statements and Accounting for Controlled Entities", IARC does not meet the requirements to be consolidated under the WHO as IARC has its own governing body and is not controlled by the World Health Assembly.

The financial statements only include the operations of IARC, which has no subsidiaries or interest in associates or jointly controlled entities.

Note 2: Basis for preparation and presentation

2.1 Accounting standards

The financial statements of IARC for the period ended 31 December 2023 have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS).

The financial statements have been prepared using the historical cost convention and under the assumption that IARC is a going concern and will meet its mandate for the foreseeable future.

2.2 Financial regulations

These financial statements have also been prepared according to the IARC Financial Regulations, and the WHO Financial Regulations and Rules, with the annual accounting period of 1 January through 31 December.

2.3 Functional currency and conversion of foreign currencies

The functional and reporting currency of IARC is euros and all values are rounded to the nearest euro, unless otherwise stated. Transactions in currencies other than euros are translated into euros at the prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Assets and liabilities in currencies other than euros are translated into euros at the prevailing UNORE year-end closing rate. Resulting gains or losses are accounted for in the Statement of Financial Performance.

2.4 Financial statements

In accordance with IPSAS 1, a complete set of financial statements has been prepared as follows:

- Statement of Financial Position (Statement I)
- Statement of Financial Performance (Statement II)
- Statement of Changes in Net Assets/Equity (Statement III)
- Statement of Cash Flows (Statement IV)
- Statement of Comparison of Budget and Actual Amounts (Statement V)
- Notes, comprising of a summary of significant accounting policies, explanation of the financial statements, and other relevant information.

The Cash Flow Statement is prepared using the indirect method.

In addition, the following Schedules have been prepared to provide supplementary information to the Statement of Financial Performance and on the status of collection of contributions from Participating States:

- Statement of Financial Performance by major funds (Schedule 1)
- Statement of Financial Performance by other funds (Schedule 2)
- Status of Collection of Contributions from Participating States (Schedule 3)

2.5 Future accounting changes

The IPSAS Board has published the following new and amended standards:

Standard	Title	Effective date	Anticipated impact in year of adoption
IPSAS 43	Leases	1 January 2025	Supersedes IPSAS 13 (Leases) and introduces the right-of-use model for lessees. On the basis of the right-of-use model, once the new standard has been adopted and the expiration of the validity of any transitional provisions has expired, most leases will be required to be capitalized, resulting in an increase in the amount of capitalized assets and the recording of related lease liabilities. The impact on annual financial performance is expected to be broadly neutral as depreciation of leased assets and interest costs on the related lease liabilities will replace the currently recorded lease expenses. The impact of IPSAS 43 on the financial statements of IARC upon adoption, including the impact of consequential amendments to other standards, is currently being assessed.
IPSAS 45	Property, Plant and Equipment	1 January 2025	This standard was developed to update principles drawn from IPSAS 17 - Property, Plant and Equipment (PPE), adding new guidance for heritage assets, infrastructure assets and measurement of PPE. The impact of elements of IPSAS 45 relating to the measurement of assets acquired through non-exchange transactions on the financial statements of IARC is currently being assessed.
IPSAS 46	Measurement	1 January 2025	This standard was developed to help improve measurement guidance across IPSAS. IARC is currently assessing the impact of IPSAS 46 on the relevant areas of the financial statements.
IPSAS 47	Revenue	1 January 2026	This standard sets out the accounting requirements for revenue transactions in the public sector and replaces IPSAS 9, 11 and 23. The standard is expected to affect the IARC financial statements significantly and the full impact is currently being assessed. One major impact of the standard is that for all earmarked contributions, revenue recognition will be deferred until IARC meets its obligations. Under the current IPSAS 23, IARC recognizes voluntary contributions revenue upon signature of the relevant contribution agreement. IARC expects that there will be sufficient time for implementation and that such implementation will require additional resources.
IPSAS 48	Transfer Expenses	1 January 2026	This standard sets out the accounting requirements for expenses arising from a transaction, other than taxes, in which an entity provides a good, service or other asset to another entity, without directly receiving any good, service or other asset in return. IARC is reviewing the changes within the standard, which is expected to significantly impact the timing of recognition of expenses in the IARC financial statements. IARC expects that there will be sufficient time for implementation and that such implementation will require additional resources.

IPSAS 49	Retirement Benefit Plans	1 January 2026	This standard covers accounting and reporting requirements for public sector retirement benefit plans to improve the transparency and accountability of those plans. IARC is a member of the United Nations Joint Staff Pension Fund (UNJSPF), a separate legal and reporting entity where the changes required by the standard are most applicable. The impact of this standard on the IARC financial statements is therefore anticipated to be very limited and any potential changes will be aligned with other UN Entities including the UNJSPF, through the UN Task Force on Accounting Standards.

IARC continues to assess the impact of the above standards on future financial statements in advance of their effective date.

Furthermore, the IPSAS Board has issued Exposure Drafts (EDs), of which the following may have an impact on future IARC financial statements:

ED	Title	Issue date	Anticipated impact in year of adoption
ED 83	Reporting Sustainability Program Information	November 2022	The objective of ED 83 is to provide additional guidance to facilitate the reporting of sustainability program information. IARC is assessing the impact of these changes and currently anticipates a low impact on the IARC financial statements.
ED 84	Concessionary Leases and Right-of-Use Assets In-Kind	January 2023	ED 84 proposes new accounting requirements for concessionary leases and right-of-use assets in-kind, and forms Phase Two of the Leases project, of which IPSAS 43 above is Phase One. IARC has a right-of-use assets in-kind, and anticipates that there will be a notable impact in the financial statements.

Note 3: Significant accounting policies

3.1 Cash and cash equivalent

Cash and cash equivalents are held at nominal value and comprise cash on hand and cash at banks. All investments that have a maturity of three months or less from the date of acquisition are included as cash and cash equivalents.

3.2 Investments and financial instruments

Financial instruments are recognized from the trade date when IARC become a party to the contractual provisions of the instrument until the rights to receive cash flows from those assets have expired or have been transferred and the Organization has transferred substantially all the risks and rewards of ownership.

The principles of IPSAS 41 in relation to the financial reporting of financial assets have been applied in the preparation of these financial statements, and in that respect the following criteria have been considered in determining the classification and measurement of the financial assets and liabilities:

(a) the business model for managing the financial assets and liabilities; and

(b) the contractual cash flow characteristics of the financial assets and liabilities.

These classification criteria determine which of the measurement bases to apply under IPSAS 41 for each category of financial asset or liability: amortised cost, fair value through net assets/equity, or fair value through surplus or deficit.

The financial assets and liabilities have been reclassified under IPSAS 41 as follows:

Before the application of IPSAS 41	Under IPSAS 41	Examples
Bank deposits and receivables	Financial assets at amortised cost	Term deposits, interest receivables, tax recoverables, other amounts to be received from investments (e.g., amounts to be received in respect of assets previously sold).
Payables and accruals	Financial liabilities at amortised cost	Interest payables, other amounts to be paid for investments (e.g., amounts to be paid in respect of assets previously purchased).

Financial assets at amortised cost are those financial instruments which are held under the business model objective to hold financial assets to collect contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through net assets/equity (FVNAE) are those financial instruments which are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, where the contractual terms give rise on specified dates to cash flows which are solely payments of principal and interest on the principal amount outstanding.

Financial assets or financial liabilities at fair value through surplus or deficit (FVSD) are other financial instruments which are not classified as either at amortised cost or at FVNAE.

None of the IARC financial assets or liabilities have been classified as at FVNAE or at FVSD.

Under IPSAS 41 a single forward-looking impairment model is applied which requires the recognition of expected credit losses (ECL) at all times.

The minimum credit rating set in the IARC Investment Policy for any investment is single A. The IPSAS 41 impairment model was applied to those financial assets which are classified as at amortised cost, specifically the term deposits and the bank account balances. The calculation of the ECL for the term deposits and for the bank balances yielded figures which were not material in the context of these financial statements, and they are therefore not disclosed.

3.3 Accounts receivable

Receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Accounts receivable are recorded at their estimated net realized value. It includes the accounts receivable from assessed contributions, designated voluntary contributions, and other accounts receivable. Accounts receivable are classified as current when the receivables are due within one year from the reporting date and as non-current when the receivables are due after one year from the reporting date.

a. *Assessed contribution accounts receivable*. Assessed contribution from Participating States is due on 1 January each year. Assessed contribution accounts receivable are recognized annually, at the beginning of the year as per the assessments approved by the Governing Council. An allowance for doubtful receivables is established for the uncollected contributions that are outstanding for more than two years or for any rescheduled amounts or pending contributions with high risk of non-collectability. The allowance is reversed when the source of such interim financing is reimbursed. In accordance with IARC financial regulations Article V, paragraph 5.3, pending receipt of statutory annual contributions to the budget, appropriations may be temporarily financed from the Working Capital Fund or if the cash balance of the Working Capital Fund is inadequate, by internal borrowing from other available cash resources of the Agency, excluding Trust Funds.

b. *Designated voluntary contribution accounts receivable*. Accounts receivable from designated voluntary contributions are recognized based on the payment terms specified in a binding agreement between IARC and the donors. Accounts receivable from designated voluntary contributions that are outstanding for more than 365 days after due date are reviewed once a year and an allowance for doubtful receivables is recognized when there is a risk that the receivables may be impaired.

c. *Other accounts receivable*. For other types of account receivable, the allowance for doubtful receivables is established upon having an evidence of its doubtfulness and passing due date for more than 365 days.

3.4 Inventories

IARC recognizes hard copy publications as part of its inventory. The hard copy publications are consigned to the WHO Press while the ownership remains with IARC. Costs of storage or sales promotion are covered by WHO and any costs related to stocks beyond the agreed quantities will be covered by IARC.

IARC hard copy publication inventories are held for distribution at no charge or for a nominal charge and hence they are stated at the lower of cost and current replacement cost (IPSAS 12, paragraph 17). The costs of publication comprise printing, editing, and translation costs as applicable. The cost of publications issued between 2010 and 2013 is valued based on the actual printing costs while the cost of publication issued prior to 2010 is valued based on the average printing cost per page of publications issued between 2010 and 2013. Where there is insufficient information to determine the cost, such as old publications issued in the 1900s and as at the end of reporting period have no stock, a nominal value of €1 is applied.

Inventory carrying value is determined using the weighted average cost method. When inventories are sold, exchanged or distributed, their carrying amount is recognized as an expense.

3.5 Property, plant and equipment

Property, plant, and equipment (PP&E) account consists of furniture and fixtures, laboratory and office equipment, and motor vehicles.

IARC has recognized PP&E since 2010. In the initial recognition, assets, except buildings, acquired prior to 1 January 2010 were expensed at the date of purchase and have not been recognized as assets.

Since 1 January 2010, the PP&E with a value €3000 and above are recognized as non-current assets in the Statement of Financial Position. They are initially recognized at cost, unless acquired through a non-exchange transaction, in which case they are recognized at fair value as at the date of acquisition.

PP&E are stated at historical cost less accumulated depreciation and impairment. All PP&E of the Agency are non-cash generating assets.

Depreciation is charged on property, plant and equipment to write-down value or residual value over the useful life using the straight-line method, except for Land (if any) which is not subject to depreciation.

The estimated useful lives for fixed assets classes are as follows:

Asset Class	Estimated useful life (years)
Buildings	40
Fixtures and fittings	8
Motor vehicles	5
Laboratory equipment	5
Office equipment	3

3.6 Intangible assets

Intangible assets are the non-physical items of value that IARC owns. Intangible assets, which are above the pre-established threshold of €75 000, are stated at historical cost less accumulated amortization and any impairment. Amortization is determined for intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives for intangible assets classes are as follows:

Intangible Asset Classes	Amortization Method	Estimated Useful Life (in Years)
Software acquired externally	Straight Line	3
Software internally developed	Straight Line	3
Licences and rights	Straight Line	3

IARC's intangible assets are assumed to have a residual value of zero as intangible assets are not sold or transferred at the end of their useful life.

3.7 Leases

A lease is an agreement whereby the lessor conveys to the lessee (the Agency), in return for a payment or series of payments, the right to use an asset for an agreed period of time. In general, there are two main types of leases, i.e. finance leases and operating leases. Necessary accounting entries and disclosures are made accordingly.

A finance lease is a lease that substantially transfers all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. If the lease agreement qualifies to be a finance lease, IARC has to recognize an asset and a liability:

- The asset represents the right to use the asset during the lease term. This asset will be depreciated over its useful life.
- The liability represents the minimum lease payments IARC has to pay to the landlord/lessor.

An operating lease is a lease other than a finance lease. It is not considered as an asset and payments to the landlord/lessor are accounted for as a rent and are expensed.

3.8 Accounts payable

Accounts Payable are financial liabilities and consist of amounts payable to staff and ECVS, suppliers, and accrued expenses.

- Amounts payable to staff and ECVS refer to unpaid travel claims and reimbursement of expenses.
- Amounts payable to suppliers are amounts due for goods or services that invoices have been received but not yet paid for.
- Accrued expenses are financial liabilities in respect of goods or services under procurement contracts and deliverables under collaborative research agreements that have been received by or provided to the Agency and which have neither been paid for nor invoiced to IARC.

Accounts payable are recognized at cost as the effect of discounting is considered immaterial.

3.9 Deferred revenue

Deferred revenue derives from legally binding agreements between IARC and its donors. Deferred revenue is recognized when (1) a contractual agreement is confirmed in writing by both parties, i.e. the Agency and the donor, and (2) the funds are earmarked and due in a future period. Deferred revenue is presented as non-current if revenue is due after one year from the reporting date.

3.10 Employee benefits

IARC recognizes four categories of employee benefits, i.e. short-term benefits, post-employment benefits, other long-term benefits, and termination benefits.

a. Short-term employee benefits

Short-term employee benefits are expected to be settled within 12 months of the reporting date and are measured at their nominal values based on accrued entitlements at current rates of pay. These comprise of first-time employment benefits (assignment grants), regular monthly benefits (salaries, allowances), compensated absences (annual leave, sick leave, and maternity/paternity/adoption leave) and other short-term benefits (education grant, reimbursement of taxes). They are calculated on a walk-away basis as if all staff terminated on the last day of the calendar year, and therefore their values are not discounted. These are treated as current liabilities.

b. Post-employment benefits

Post-employment benefits include pension plans and ASHI which are payable after the completion of employment. Post-employment benefit plans are classified as either defined contribution or defined benefit plans. For defined contribution post-employment plans, the obligation for each period is determined by the amounts to be contributed for that period and no actuarial assumptions are required to measure the obligation or the expense. Post-employment benefits under defined benefit plans are measured at the present value of the defined benefit obligation adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

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

The plan exposes participating organizations to actuarial risks associated with participation of current and former employees of other organizations in the Pension 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. IARC and the UNJSPF, in line with the other participating organizations in the Fund are not in a position to identify IARC's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. IARC has therefore treated it as a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). IARC's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance (Statement II).

ASHI: The Staff Health Insurance Fund covers current IARC staff members, retired staff members and their eligible dependants. The Fund is administered by WHO headquarters and financed from the contributions made by the participants (1/3) and the Organization (2/3). The value of the Agency's liability toward the employees on ASHI is provided by WHO at the end of the year based on the valuation carried out by independent actuaries.

c. Other long-term employee benefits

Other long-term employee benefits are benefits which are payable after the completion of employment and expected to be settled more than 12 months after the end of the reporting period such as repatriation grants and travel, and termination for reason of health. These are treated as non-current liabilities. The value of IARC's long-term employee benefits is estimated by independent actuaries.

d. Termination benefits

Termination benefits generally include indemnities for voluntary redundancy (abolition of post, end-of-service grant, and separation by mutual agreement), and are expected to be settled within 12 months of the reporting date. They are accounted for as they are incurred.

3.11 Provisions, contingent liabilities and contingent assets

Provisions are made for future liabilities and charges where IARC has a present legal or constructive obligation as a result of past events and it is probable that IARC will be required to settle the obligation.

Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of IARC.

Contingent assets will be disclosed when an event gives rise to a probable inflow of economic benefits or service potential and there is sufficient information to assess the probability of the inflow of economic benefits or service potential.

3.12 Revenue

The Agency receives revenue from various sources which can be classified into eight categories as follows.

a. *Assessed contributions from Participating States.* Revenue from contributions from Participating States for the programme budget is recorded annually on an accrual basis as per the assessments approved by the Governing Council.

b. *Assessed contribution from new Participating States.* Revenue derived from the unbudgeted assessed contributions from new Participating States following the method of assessments as described in Resolution GC/15/R9 and the gradual increase in contributions per IARC Financial Regulations Article IV.4.3 and Resolutions GC/37/R9 and GC/54/R18.

   In accordance with IARC Financial Regulation Article V.5.5, unbudgeted contributions of new Participating States are credited to the Governing Council Special Fund.

   €34 650 (or US$ 50 000 equivalent @0.693) from the first contribution of each new Participating State is transferred to the Working Capital Fund in accordance with Resolution GC/5/R14.

c. *Voluntary contributions.* Revenue under voluntary contributions comprises Core Voluntary Contribution Account (CVCA), designated contribution, and undesignated contribution.

   - CVCA was established in 2019 to receive supplementary fund from Participating States to finance IARC's core activities (Resolution GC/61/R5, paragraph 9).
   - Designated voluntary contributions are specifically earmarked by the donor to finance special projects.
   - Undesignated voluntary contributions are donations not intended for a specific project and it is governed by Governing Council resolutions.

   IARC considers that while there are restrictions on the use of CVCA and designated voluntary contributions, these restrictions do not meet the definition of a condition as described under IPSAS 23.

   Revenue under designated voluntary contributions is recognized when agreements are signed by IARC and the donors. For CVCA and undesignated voluntary contributions, revenue is recognized upon receipt of fund.

d. *Revenue producing activities.* Revenue is earned from the sale of IARC hard copy and digital publications and is recorded at fair value of the consideration received. The revenue is credited to the Governing Council Special Fund.

   These publications are for non-profit dissemination and the sale of these publications is not part of the ordinary course of operations of IARC. The hard copy publication inventories are held for sale by WHO in accordance with the agreement between IARC and WHO. The digital version corresponds to the subscription fees to access the WHO Classification of Tumours online.

e. *Other operating revenue.* Other operating revenue is recorded when funds are earned. It includes sale of equipment and materials, and savings from prior period obligations.

f. *Trust fund.* This refers to fees collected from personnel enrolled in language courses offered by IARC, which are used to partially finance consultancy fees paid to teachers. Revenue is recorded at fair value of the consideration received.

g. *Income from services rendered.* This refers to the Agency programme support cost collected from designated voluntary contributions at the standard rate of 13%, in accordance with IARC/WHO Financial Regulations and Rules (World Health Assembly Resolution WHA34.17). These are recorded on a monthly basis on the actual expenses incurred. To avoid double counting, this income and the equivalent of expenses are eliminated as shown in Schedule 1.

h. *Contribution in kind.* Contribution in kind received by IARC, if any, is recorded as goods received. They are treated both as revenue and expense in the Voluntary Contribution. A valuation is done for each donation to ensure that goods are recorded at an amount equal to the fair market value. Donated Property, Plant and Equipment are valued at fair market value and recognized as fixed asset and revenue.

   In particular, in 2023 IARC has move to a new premise. IARC has signed a “Convention de mise a disposition” with the Metropole de Lyon. This is an agreement for right-to-use of a brand-new building in the Gerland area of Lyon. The agreement is signed for 30 years. The annual rent is estimated at €2.7 M tax excluded. This non-exchange transaction is recorded as rental expense and revenue (in-kind) as per IPSAS 23.

3.13 Expenses

Expenses are recognized based on the “delivery principle”, i.e. when goods or services have been received or services have been rendered with IARC assuming title or satisfactory receipt over the goods or services. These also include expendable equipment, i.e. physical assets with a value below €3000, which are not capitalized as PP&E (see Note 3.5) and recognized as expense upon receipt.

An encumbrance represents a firm commitment or obligation for goods or services which have not been delivered. Encumbrances are not reported in the Statement of Financial Performance but are presented in Statement of comparison of budget and actual amounts for the financial period under Statement V.

3.14 Fund accounting reporting

Fund accounting is a method of segregating resources into categories (i.e. funds) to enable the identification of both sources and uses of funds. Establishment of such funds help to ensure better reporting of revenue and expenses. The Regular Budget, the Working Capital Fund, the Governing Council Special Fund, Voluntary Contributions Account (designated and undesignated donations), Programme Support Cost account, and the Trust Fund serve to ensure the proper segregation of revenue and expenses.

Any transfers between funds that would result in duplication of revenue and/or expenses are eliminated during all funds consolidation. Intra-fund transfers such as Programme Support Costs within the Voluntary Contributions are also eliminated.

The types of funds are further explained below.

a. *Regular Budget (RB).* This refers to the General Fund for the administrative services and permanent activities of the Agency as defined by Article 5.1 of IARC's financial regulations. The fund is financed by the annual assessed contributions from Participating States and possible other funding sources as approved by the Governing Council. Pending the receipt of statutory annual contributions to the regular budget, appropriations may be temporarily financed from the Working Capital Fund.

b. *Working Capital Fund (WCF).* This refers to a fund as defined by Article 5.2 of IARC's financial regulations. Revenue of working capital fund came from assessed contributions from new Participating States as described under Note 3.12b or transfer from Governing Council Special Fund.

c. *Governing Council Special Fund (GCSF).* This refers to a fund as defined by Article 5.5 of IARC's financial regulations. The fund shall be used for purposes to be decided by the Governing Council from time to time by a minimum two-thirds of its members who are representatives of each Participating State.

d. *Voluntary Contributions (VC).* This fund refers to CVCA, designated contributions, and undesignated contributions as described under Note 3.12c.

e. *Special Account for Programme Support Cost (PSC).* This account contains income from services rendered as described under Note 3.12g and expenditures financed by this fund.

f. *Trust fund (TF).* Trust funds were maintained by the Agency to finance language courses for the benefit of staff as described under Note 3.12f.

g. *Participating States – other*. The following accounts are grouped and presented in the financial statements as *Participating States – other*.

- *Common Fund*. This fund reflects the movement in the asset and liability accounts of IARC resulting from changes in inventory and depreciation.
- *Special Purpose Fund*. This fund contained TQ, TP, and Post Occupancy Charge (POC) Funds and Service Health Insurance Funds.

3.15 Budget comparison

The Agency's budget and accounting bases differ. Budgets within the Agency are approved on a modified cash basis, rather than the full accrual basis of IPSAS and are prepared on a biennial basis vis-a-vis an annual basis. While annual figures are available, the fund balance of the first year of the biennium can be carried over and spent in the second year.

The Agency's budget is an integrated budget endorsed by the Governing Council when they approve the itemized Regular Budget. There are no approved budgets for other funds.

As required under IPSAS 24 (Presentation of Budget Information in Financial Statements), the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing, presentation, and entity differences. There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.

Timing differences consist of regular budget expenses incurred in the current financial period which are not part of the current approved biennium budget.

Basis differences occur when the approved budget is prepared on a basis other than the full accrual accounting basis. Basis differences include Common Fund activities (i.e. the new capital assets purchased, depreciation of assets, and cost of distribution and disposals of inventories) and other non-regular budget utilization.

The Statement of Comparison of Budget and Actual Amounts (Statement V) compares the final approved budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the bases used to prepare the budget and financial statements differ, Note 10 provides reconciliation between the actual amounts presented in the Statement V to the actual amounts presented in the Statement of Financial Performance (Statement II).

Note 4: Assets

4.1 Cash and cash equivalents

These comprise of cash on hand, cash at UNDP, and bank deposit accounts that are highly liquid held by the Agency for all funds. Cash and cash equivalents are held for purposes of meeting short-term cash commitments, and not for investment or other purposes.

Bank deposits include deposits held in US$ and GBP accounts. Balances as at 31 December 2023 were converted to euros using UNORE (US$ 10 088 459 at €0.901/US$ and GBP 4 671 648 at €1.151/GBP).

	31-Dec-23	31-Dec-22
Cash on hand	46 307	25 461
Cash at UNDP	98 251	228 006
Bank deposits	54 071 912	50 441 399
Total	€54 216 470	€50 694 866

4.2 Accounts receivable, net

The total account receivable amounted to €39 225 790 at the end of the reporting period. These include outstanding amounts for assessed contributions, designated voluntary contributions, and other accounts receivable. As at the end of 2023, there was accumulated allowances for doubtful accounts receivable amounting to €2 902 344. The details of current and non-current accounts receivable are provided below.

	Current	Non-Current	Total 31-Dec-23	Total 31-Dec-22
Uncollected assessed contributions	4 981 238		4 981 238	3 508 797
Designated voluntary contributions	19 247 396	16 502 648	35 750 044	33 215 551
Other accounts receivable*	1 396 852		1 396 852	3 914 435
Total accounts receivable	25 625 486	16 502 648	42 128 134	40 638 783
Less: Accumulated allowances	(2 902 344)		(2 902 344)	(2 284 250)
Total accounts receivable, net	€22 723 142	€16 502 648	€39 225 790	€38 354 533

*Other accounts receivable comprises of royalties and sales of publication receivables (€834 222), VAT refund (€493 298), supplier's deposit (€10 905) and others (€58 427).

Total accumulated allowances for doubtful accounts receivable:

	Current	Non-Current	Total 31-Dec-23	Total 31-Dec-22
Opening balance of allowance for assessed contribution	2 284 250	0	2 284 250	1 680 808
Opening balance of allowance for designated VC	0	0	0	0
Opening balance of allowance for other receivables	0	0	0	0
Total opening balance at beginning of year	2 284 250	0	2 284 250	1 680 808
Add: Allowance for assessed contribution	618 094	0	618 094	603 442
Allowance for designated VC	0	0	0	0
Allowance for other receivables	0	0	0	0
Total allowances for doubtful receivables	2 902 344	0	2 902 344	2 284 250
Less: Reversal of allowance for assessed contribution	0	0	0	0
Reversal of allowance for designated VC	0	0	0	0
Reversal of allowance for other receivables	0	0	0	0
Total accumulated allowances at end of year	€2 902 344	€0	€2 902 344	€2 284 250

4.3 Staff receivables

The total balance of staff receivables amounted to €146 850, net increase by €31 437 from the prior period. Breakdown by type of receivables are as follows.

	31-Dec-23	31-Dec-22
Education grant advance	103 639	90 849
Duty travel advance	43 211	24 564
Total	€146 850	€115 413

4.4 Prepayments

The total value of prepayments is €288 668, which consists of payments to suppliers in advance of receipt of goods or services. In addition, Fellows of IARC are paid one month in advance and the payment of stipend for January 2024 is included in this account.

	31-Dec-23	31-Dec-22
Prepayment to suppliers	29 037	31 876
Stipend advance	259 631	219 804
Total	€288 668	€251 680

4.5 Interest receivable

Interest receivable represents amount due from bank deposits for interest earned for the reporting period that has not been received. The total value of interest receivable as at 31 December 2023 is €65 437 (€14 737 in 2022).

4.6 Inventories

The amount of €753 037 represents the value of IARC publication inventories, of which €360 325 relates to the Work in Progress and €392 712 relates to Finished Goods held for sales at WHO Press as at the end of the reporting period.

	31-Dec-23	31-Dec-22
Balance at beginning of year	601 421	304 756
Additions	263 168	553 761
Distributions	(111 266)	(240 381)
Disposals/adjustments	(286)	(16 715)
Balance at end of year	€753 037	€601 421

4.7 Property, plant and equipment, net

The value of property, plant and equipment (PP&E) net of accumulated depreciation at the end of reporting period is €2 247 755. These include laboratory and office equipment, furniture and fixtures, and motor vehicle.

	Buildings	Lab equipment	Office equipment and other equipment	Furniture and fixtures	Motor vehicles	Total 31-Dec-23	Total 31-Dec-22
Cost or valuation:							
Balance at beginning of year	0	5 686 384	540 628	124 861	63 426	6 415 299	8 776 967
Additions		624 034	333 638	45 853	0	1 003 525	1 633 863
Disposals	0	0	(15 178)	0	0	(15 178)	(3 995 531)
Balance at end of year	0	6 310 418	859 088	170 714	63 426	7 403 646	6 415 299
Accumulated depreciation:							
Balance at beginning of year	0	4 033 674	540 628	2 323	52 073	4 628 698	7 322 091
Charges for the year		447 419	73 447	18 667	2 838	542 371	335 754
Disposals	0	0	(15 178)	0	0	(15 178)	(3 029 147)
Balance at end of year	0	4 481 093	598 897	20 990	54 911	5 155 891	4 628 698
Net book value:							
At beginning of year	0	1 652 710	0	122 538	11 353	1 786 601	1 454 876
At end of year	0	1 829 325	260 191	149 724	8 515	2 247 755	1 786 601

In addition, IARC has 136 items of PP&E with the total gross acquisition value of €4 331 585 that are fully depreciated and still in use as at the end of the reporting period.

Note 5: Liabilities

5.1 Revenue received in advance

The total amount of €929 599 represents 2024 assessed contributions received in advance from Participating States and revenue from publications received in advance. Details of assessed contributions received in advance can be found under Schedule 3.

	31-Dec-23	31-Dec-22
Assessed contribution received in advance	927 514	934 466
Voluntary contribution received in advance	0	0
Other revenue received in advance	2 085	2 085
Total	€929 599	€936 551

5.2 Accounts payable

The total outstanding as at the end of reporting period is €1 458 792. Staff/STA/Fellows payable below include payment of travel and expense reimbursements.

	31-Dec-23	31-Dec-22
Staff/STA/Fellows	45 630	15 647
Suppliers	117 698	74 990
Accrued expenses	1 295 626	1 224 302
Total	€1 458 792	€1 314 939

5.3 Accrued staff benefits

Accrued staff benefits, total €53 101 282, include short-term benefits, post employee benefits (ASHI), and other long-term benefits. This amount includes unfunded liabilities totalling €43 205 342 (see also Note 6.6b).

The valuation of short-term benefits was done by the Agency while the valuation of staff health insurance and other long-term benefits were determined by independent consulting actuaries.

a) Summary of accrued staff benefits:

	Current	Non-Current	Total 31-Dec-23	Total 31-Dec-22
Short-term employee benefits	1 197 904	-	1 197 904	1 149 376
Other long-term employee benefits	188 756	1 750 352	1 939 108	1 693 458
Termination benefits				-
Post employee benefits (i.e. ASHI)	-	49 964 270	49 964 270	48 229 537
Total	€1 386 660	€51 714 622	€53 101 282	€51 072 371

b) TQ, TP, and POC accounts:

These accounts were established to finance statutory benefits of staff members. They are collected through staff payroll. There is a total balance of €9 895 940 at the end of the reporting period.

TQ Account: This account was established for financing short-term employee benefits. It is funded by a budgetary provision set at the rate of 8% of professional staff salary and post adjustment.

TP Account: This account was established for financing long-term employee benefits, post employee benefits, and termination benefits. It is funded by a budgetary provision set at the rate of 3.5% of salary and post adjustment for fixed-term staff members and 5.5% for temporary appointment staff members from the beginning of 2022.

POC Account: The Post Occupancy Charge (POC) was established in 2018 for financing the enabling and supportive functions, including funding or supporting the temporary backfilling of staff members on maternity leave. It is funded by a budgetary provision set at 0.5% of all staff salary and post adjustment from the beginning of 2022.

	TQ	TP	POC	Total 31-Dec-23	Total 31-Dec-22
Fund balance at beginning of year	3 589 993	4 569 600	1 005 851	9 165 444	8 620 976
Plus: Fund inflow during the year	861 612	623 274	85 932	1 570 818	1 536 459
Less: Fund outflow during the year	(744 151)	(96 171)		(840 322)	(991 991)
Fund balance at end of year	€3 707 455	€5 096 703	€1 091 783	€9 895 940	€9 165 444

The outflow fund in 2023 includes the following payments on employee benefits.

	Current	Non-Current	Total 31-Dec-23
Recruitment entitlements	325 982		325 982
Separation entitlements	83 317	96 171	179 488
Education grants	259 290		259 290
Home leave travels	69 420		69 420
Periodic medical and insurance	6 142		6 142
Total fund outflow	€744 151	€96 171	€840 322

c) Valuation of accrued short-term staff benefits:

These include the accrued annual leave balance, educational grants, and home leaves. They are on a walk-away basis as if all staff terminated on the last day of the calendar year, and therefore their values are not discounted. The value of each day of accumulated unused annual leave is calculated according to the Staff Rules, Section 3, paragraph 380.2.2. and 630.8.

	31-Dec-23	31-Dec-22
Accrued annual leave	1 154 462	1 107 257
Educational grants	43 442	42 119
Total Defined Benefit Obligation at end of year	€1 197 904	€1 149 376

d) Valuation of accrued other long-term staff benefits:

This includes grant in case of death, repatriation grant, repatriation removal, repatriation travel, and termination for reasons of health. Each year at year end, the actuaries determine this value based on agreed assumptions and methods. The latest full actuarial valuation was completed as of 31 December 2023. For 2022 financial statements, a census data as of 31 October 2022 (proxy for 31 December 2022) was used, and for 2023 financial statements, the valuation reflects projections of census data from 31 October 2022, with adjustments for material events between 31 Octobre 2022 and 31 December 2023.

	31-Dec-23	31-Dec-22
Grant in case of death	129 335	112 242
Repatriation grant	1 372 450	1 232 375
Repatriation removal	362 114	279 224
Repatriation travel	46 285	44 575
Termination for reasons of health	28 924	25 042
Total Defined Benefit Obligation at end of year	€1 939 108	€1 693 458

Actuarial summary

	31/12/2023 Valuation	31/12/2022 Valuation
Reconciliation of Defined Benefit Obligation--142(a)(ii)		
Defined Benefit Obligation at Beginning of Year	1 693 458	2 187 944
Service Cost	124 719	195 254
Interest on Defined Benefit Obligation	66 378	16 281
(Actual Gross Benefit Payments)	(96 171)	(241 057)
Participant Contributions	-	
Changes in Accounting Methods	-	
Plan Amendments	71 433	
(Gain)/Loss Due to Financial Assumption Changes	76 409	(343 583)
(Gain)/Loss Due to Other Changes	2 882	(121 380)
Defined Benefit Obligation at End of Year	€1 939 108	€1 693 458
Reconciliation of Assets--142(a)(i)		
Market Value of Assets at Beginning of Year		
(Actual Gross Benefit Payments)	(96 171)	(241 057)
Participant Contributions		
Organization Contributions	96 171	241 057
Interest on Assets		
Gain/(Loss) on Plan Assets		
Market Value of Assets at End of Year	0€	0€
Reconciliation of Funded Status--142		
Defined Benefit Obligation (DBO)	1 939 108	1 693 458
(Plan Assets)		
Net (Surplus)/Deficit in Statement of Financial Position	1 939 108	1 693 458
Current (Asset)/Liability	188 756	178 321
Noncurrent (Asset)/Liability	1 750 352	1 515 137
Total (Gain)/Loss during the Year	79 290	(464 964)
Sensitivity Analysis--147(a)		
Defined Benefit Obligation		
Current Discount Rate Assumption Minus 1%	2 070 067	1 812 672
Current Discount Rate Assumption	1 939 108	1 693 458
Current Discount Rate Assumption Plus 1%	1 823 461	1 587 790
Approximate Duration (in Years) of Defined Benefit Obligation	7	7
Statement of Financial Performance		
Service Cost	124 719	195 254
Interest on (Surplus)/Deficit	66 378	16 281
Remeasurements	79 290	(464 964)
Total Expense	€71 433	€(253 429)
Expected Accounting Contributions During Next Year--149(b)		
Expected Contributions during Next Year	€191 752	€181 633
Selected Assumptions at 31 December		
Discount Rate	3.20%	3.75%
General Inflation Rate	2.10%	2.50%

Actuarial assumptions and methods

Discount Rate

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.85 The rate used to discount post-employment benefit obligations (both funded and unfunded) shall reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money shall be consistent with the currency and estimated term of the post-employment benefit obligations.
>
> IPSAS 39.88 An entity makes a judgment whether the discount rate that reflects the time value of money is best approximated by reference to market yields at the end of the reporting period on government bonds, high quality corporate bonds, or by another financial instrument. In some jurisdictions, market yields at the end of the reporting period on government bonds will provide the best approximation of the time value of money. However, there may be jurisdictions in which this is not the case, for example, jurisdictions where there is no deep market in government bonds, or in which market yields at the end of the reporting period on government bonds do not reflect the time value of money. In such cases, the reporting entity determines the rate by another method, such as by reference to market yields on high quality corporate bonds.
>
> There may also be circumstances where there is no deep market in government bonds or high-quality corporate bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments. In such circumstances, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. (…)

The discount rate for each employee benefits scheme is developed by the WHO for each currency zone using a yield curve approach. This involves considering the yields on high-grade corporate bonds at the measurement date, as well as expected cash flows and assumed currency exposure for each zone.

IARC assumes all of its TP benefits are incurred in euros. Therefore, the liability is discounted using the Euro Zone yield curve. IARC applies the Euro (EUR) – Aon AA Corp. Yield Curve, in accordance with the U.N Task Force recommendation for the U.N's retiree medical plans valuations.

The resulting rate is 3.20% this year, versus 3.75% last year.

Annual General Inflation

The general inflation rates are based on a 100% Euro Zone weighting of the 31 December 2023 U.N. Task Force recommendations, according to the duration (10-years duration) of the TP.

The resulting rate is 2.1% this year, versus 2.5% last year.

Annual Salary Scale

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.89 An entity shall measure its defined benefit obligations on a basis that reflects: (b) any estimated future salary increases that affect the benefits payable.

> IPSAS 39.92 Estimates of future salary increases take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The IARC relies on the salary scales as provided by the UNTF, which are built by the UNJSPF and used for the actuarial valuation of the UNJSPF.

The salary scales as built by the UNJSPF consider:

• an age-based static increase using different rates for General Service and Professional staff.

• a further 3.1% increase (compared to 3.0% in 2022), to reflect a 2.6% inflation (compared to 2.5% in 2022) assumption and a 0.5% per year productivity increase.

Future exchange rates

They are set equal to official United Nations spot rates as of 31 December 2023.

Withdrawal Rates

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.78(a). Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Actuarial assumptions comprise demographic assumptions about the future characteristics of current and former employees (and their dependents) who are eligible for benefits. Demographic assumptions deal with matters such as: (ii) rates of employee turnover, disability, and early retirement.

The IARC relies on the turnover assumption as set by the UNJSPF as a best estimate for assessing which among the current employees will be eligible for benefits. The UNJSPF has built from historical experience so-called "withdrawal tables", established by sex, years of service and staff group (professional svc vs general svc).

Retirement Rates

IPSAS 39 does not specifically address the issue of retirement age. The best estimate of retirement age should reflect the terms and conditions of the plan and any statutory requirements that affect the employee's right to retire. It should also consider the expected behaviour of employees, such as their historical and expected retirement patterns, and any incentives or disincentives for early or late retirement.

The IARC relies on the retirement age assumption as set by the UNJSPF as a best estimate of retirement age.

Under pension rules, any participant who has five years of contributory service receives, upon separation at or after normal retirement age, a retirement benefit payable for the remainder of his or her life. "Normal retirement age" (NRA) means age 60 for a participant whose service commenced prior to 1 January 1990; age 62 for a participant whose service commenced or recommenced on or after 1 January 1990 and before 1 January 2014; and age 65 for a participant whose service commences or recommences on or after 1 January 2014.

The UNJSPF has built from historical experience retirement rates table, established by NRA, sex, years of service and staff group (professional svc vs general svc).

These tables are deemed to be appropriate to estimate probable retirement age.

Long-Term Disability Rates

Disability rates are 50% of those recommended by the U.N. Task Force via harmonization guidance. The 50% adjustment is based on a study that Aon performed of WHO experience from 2005–2016. The lower disability rates are believed to be partly due to the existence of the GAI, which is intended to rehabilitate participants when possible and thereby prevent long-term disablements. We applied the same to IARC, as per last valuations.

Rates of Recovery from Long-term Disability

WHO has indicated it is rare for staff to return to work after reaching long-term disability under UNJSPF. Thus, no rates is used. We applied the same to IARC, as per last valuations.

Mortality Rates

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.83. An entity shall determine its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.
>
> IPSAS 39.84. In order to estimate the ultimate cost of the benefit an entity takes into consideration expected changes in mortality, for example by modifying standard mortality tables with estimates of mortality improvements.

The WHO relies on the mortality experience as observed on the participants to the UNJSPF, which is deemed to be a reliable basis to assess the mortality of ASHI participants.

Pre-retirement rates

The mortality rates for active participants before retirement are developed by the UNJSPF, with the assistance of an actuary, using the actual mortality experience of the pension plan actives' participants. These rates are determined by staff type, such as Professional or General, as well as demographic factors like age and sex and factors such as the Normal Retirement Age (NRA).

Future transfers

For each office, the withdrawal and retirement rates are assumed to exclude future transfers to other offices or other United Nations organizations.

Future transfers in and out of IARC are generally assumed to be offsetting.

Treatment of Assets

Under IPSAS 39, the assets are not reflected in the accounting valuations, as they are not held in irrevocable trusts for the sole purpose of paying plan benefits.

Marriages Between Staff Members

Any current cases of staff members married to each other are conservatively disregarded.

Expatriate status

No future in-service changes in expatriate status (used to determine eligibility for repatriation benefits, relocation shipment and repatriation travel) are assumed.

All past and future service of expatriates is conservatively assumed to be outside of the home country.

Utilization of repatriation benefits

70% of eligible members are assumed to elect benefits at separation based on a study on experience of the Pan-American Health Organization from 2005 to 2009. In 2019, Aon validated the aggregate reasonability of the payment assumptions for repatriation benefits (encompassing utilization and per capita costs) against WHO's benefit payments experience for 2017 through 2019. We applied the same to IARC, as per last valuations.

Incurred but not paid benefits

As an approximate adjustment for incurred-but-not-paid benefits, a 3% increase is applied to the liabilities, expected benefit payments and other financial results of all TP benefits. This adjustment is based on IARC's in-house estimate of incurred-but-not-paid benefits as of 31 December 2019.

Administrative expenses

Administrative expenses are assumed to be immaterial as prescribed by the IARC.

Lag Between Future Separations and Payment of Benefits

For future separations, benefits are conservatively assumed to be paid immediately.

Marital and dependent status

It is assumed that 85% of male participants and 55% of female participants have at least one dependent upon separation. Married staff members who die in service are assumed to have at least one dependent child at death.

Relocation shipment

As of 10 October 2022, the lump-sum benefit for removal on repatriation has been amended with reference to the International Civil Service Report of 2021 as follows:

- For Staff members holding fixed-term appointments or continuing appointments:
  - Staff without dependents: from US$ 10 000 to US$ 13 000;
  - Staff with dependents: from US$ 15 000 to US$ 18 000;
- For Staff members holding temporary appointments of one year or more:
  - Staff without dependents: from US$ 7 000 to US$ 8 400;
  - Staff with dependents: from US$ 11 000 to US$ 13 200;

These provisions adjustments are effective from 1 January 2023.

In 2014, about 10% of WHO's staff covered by TP were short-term. Therefore, the assumed average lump-sum benefits are weighted averages of the benefits for fixed-term staff and short-term staff, calculated as follows:

- US$ 13 000 x 90% + US$ 8 400 x 10% = US$ 12 540 for staff without dependents;

- US$ 18 000 x 90% + US$ 13 200 x 10% = US$ 17 520 for staff with dependents.

The above figures are converted to euros with the 31 December 2022 exchange rate.

Repatriation travel

The average cost per ticket assumption was provided by the WHO and amounts to US$ 1 800. This cost is projected with the general inflation assumption. This cost includes benefit payments to staff member for all contingencies including death.

This lumpsum is converted to euros with the 31 December 2022 exchange rate.

Percentage of death attributable to performance of official duties

In-service death assumed to be attributable to performance of official duties and are consequently covered by the SFFC fund represents 3% of deaths. The 3% offset is applied when computing the grant in case of death liability.

Percentage of disability attributable to performance of official duties

In-service disability assumed to be attributable to performance of official duties and are consequently covered by the SFFC fund represents 4% of disabilities. The 4% offset is applied when computing the termination for reasons of health liability.

Actuarial methods
Actuarial methods used varies by plan:
• Repatriation Grant, Termination Indemnity, and Grant in Case of Death: Projected unit credit with accrual rate proration.

• Relocation Shipment and Repatriation Travel: Projected unit credit with service prorate, with an attribution period from the "entry on duty date" to separation.

Pay definitions – Consistent with the plan provisions the following census data fields to identify the applicable pay for each pay-related benefit in the valuation was used.

Benefit	**Pay Definition**
Repatriation Grant, Termination for Reasons of Health, and Grant in case of Death	Terminal Remuneration defined as follows: • General Service Staff – Sum of Net Base Salary, Non-Resident's Allowance and Language Allowance • Professional staff – Net Base Salary

e) Valuation of staff health insurance:

The Agency accounts for the ASHI as a post-employment benefit. Actuarial gains and losses are recognized in the net assets/equity in accordance with IPSAS 39 (Employee Benefits). The defined benefit obligation as of 31 December 2023 determined by professional actuaries within the overall report to WHO is US$ 55 454 238, equivalent to €49 964 270 at UNORE of €0.901/US$.

Revaluation of this account as of 31 December 2023 resulted to a net unrealized foreign exchange gain of €2 896 148, of which €944 366 was charged directly to net asset/equity (net unrealized foreign exchange loss of €5 545 784 in 2022, of which €1 393 366 was charged directly to net asset/equity).

In accordance with IPSAS 39, the actuarial loss of US$ 1 687 031, equivalent to €1 520 015 using the 31 December 2023 UNORE of €0.901/US$ was charged directly to net assets/equity in 2023 (US$ 48 875 304 actuarial gain in 2022, equivalent to €45 893 910 using UNORE of €0.939/US$).

The following tables were taken from the actuaries' report to WHO and all figures are in US dollars.

__Actuarial summary__

	31-Dec-23 Valuation (US$)	31-Dec-22 Valuation (US$)
Reconciliation of Defined Benefit Obligation–142(a)		
Defined Benefit Obligation at beginning of year	91 906 688	140 755 461
Service cost	3 251 191	6 386 406
Interest on Defined Benefit Obligation	2 201 068	562 820
(Actual after service gross benefit payments)	(477 479)	(336 303)
(Actual after service administrative expenses)	(24 493)	(20 464)
Actual contributions by after service participants	257 336	255 814
Plan amendments adopted during the year	0	
Changes in accounting methods	0	
(Gain)/Loss on Defined Benefit Obligation Due to Financial Assumption Changes	5 163 777	(35 329 306)
(Gain)/Loss on Defined Benefit Obligation Due to Other Assumption Changes	898 277	(20 367 740)
Defined Benefit Obligation at end of year	US$ 103 176 365	US$ 91 906 688
Reconciliation of Incurred-But-Not-Paid Reserve–142(a)		
Incurred-But-Not-Paid Reserve at beginning of year	321 630	402 000
Interest on Incurred-But-Not-Paid Reserve during the year	7 397	1 608
(Gain)/Loss on Incurred-But-Not-Paid Reserve	118 316	(81 978)
Incurred-But-Not-Paid Reserve at end of year	447 344	321 630
Reconciliation of Assets–142(a)		
Market value of ASHI at beginning of year	40 865 659	45 540 498
(Actual total SHI gross benefit payments)	(1 276 551)	(909 546)
(Actual total SHI administrative expenses)	(65 482)	(55 345)
Actual total SHI participant contributions	1 045 821	983 071
Actual total SHI organization contributions	2 156 653	2 026 305
Organization additional contributions during the year	0	
Interest on gross SHI assets	950 031	184 396
	31-Dec-23	31-Dec-22

	Valuation (US$)	Valuation (US$)
Gain/(loss) on Plan Assets	4 493 339	(6 903 719)
Market value of SHI assets at end of year	US$ 48 169 471	US$ 40 865 659
Reconciliation of Funded Status–142		
Defined Benefit Obligation		
Active	72 364 756	63 027 177
Inactive	30 811 609	28 879 511
Incurred-But-Not-Paid Reserve	447 344	321 630
Total Defined Benefit Obligation	103 623 709	92 228 318
(ASHI Plan Assets)	(48 169 471)	(40 865 659)
Net (Surplus)/Deficit	US$ 55 454 238	US$ 51 362 659
Current (asset)/liability	0	0
Noncurrent (asset)/liability	US$ 55 454 238	US$ 51 362 659
Total (Gain)/Loss during the year	US$ 1 687 031	US$ (48 875 304)
Statement of Financial Performance		
Service cost	3 251 191	6 386 406
Interest on (Surplus)/Deficit	1 258 434	380 032
Past service (credit)/cost		
Total expense	US$ 4 509 625	US$ 6 766 438
Sensitivity Analysis–147(a)		
Defined Benefit Obligation at end of year		
Current medical inflation assumption minus 1%	78 824 812	71 327 078
Current medical inflation assumption	98 234 791	91 906 688
Current medical inflation assumption plus 1%	124 159 208	117 783 371
Current discount rate assumption minus 1%	124 463 563	115 371 901
Current discount rate assumption	98 234 791	91 906 688
Current discount rate assumption plus 1%	79 022 175	73 671 513
Expected Accounting Contributions–149(b)		
Expected contributions during next year		
Contribution by/for active staff, net of claims/admin costs	1 646 781	1 699 410
Contribution by WHO for Inactives	514 673	522 201
Total expected contributions	US$ 2 161 454	US$ 2 221 611

Actuarial assumptions and methods:

Accounting Standard International Public Sector Accounting Standard 39.
Measurement Date 31 December 2023

Office Groupings for Discount Rates and General Inflation Rates
For the 31 December 2022 and 2023 valuations, IARC is included in Europe.

After-service claims costs are based on the region in which each individual participant is currently retired or expected to retire, not on the regional office.

Discount rates

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.85 The rate used to discount post-employment benefit obligations (both funded and unfunded) shall reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money shall be consistent with the currency and estimated term of the post-employment benefit obligations.
>
> IPSAS 39.88 An entity makes a judgment whether the discount rate that reflects the time value of money is best approximated by reference to market yields at the end of the reporting period on government bonds, high quality corporate bonds, or by another financial instrument. In some jurisdictions, market yields at the end of the reporting period on government bonds will provide the best approximation of the time value of money. However, there may be jurisdictions in which this is not the case, for example, jurisdictions where there is no deep market in government bonds, or in which market yields at the end of the reporting period on government bonds do not reflect the time value of money. In such cases, the reporting entity determines the rate by another method, such as by reference to market yields on high quality corporate bonds.
>
> There may also be circumstances where there is no deep market in government bonds or high-quality corporate bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments. In such circumstances, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. (…)

The discount rate for each employee benefits scheme is developed by the WHO for each currency zone using a yield curve approach. This involves considering the yields on high-grade corporate bonds at the measurement date, as well as expected cash flows and assumed currency exposure for each zone.

In accordance with IPSAS 39, the WHO has decided to use the following yield curves issued by the UN Task Force. For the Eurozone (EUR): Aon Hewitt AA Corp. Yield Curve.

Based on the currency mix, the split of discount rates for 2022 and 2023 are 3.6% in 2022 and 3.4% in 2023.

The discount rate is determined as the weighted average of the equivalent rates per currency and the associated cash flows.

Currency mix

The assumed currency mix used in developing the discount rates for each office region was determined using US dollars as a proxy for all currencies besides Swiss francs and euros based on the currency mix of the actual after-service claims from 2020 to 2023. For Europe, it resulted in 20% in 2022 and 15% in 2023.

General inflation

The Task Force uses a market-based yield curve for Euro Zone. The market-based inflation rates reference spot inflation rates at specified duration from yield curves developed by Aon (Europe inflation swap curve and US government CPI).

Date	5 Years	10 Years	20 Years
31/12/2022	2.7%	2.5%	2.6%
31/12/2023	2.0%	2.1%	2.3%

Based on the currency mix, general inflation rates for Europe are 1.5% in 2022 and 1.4% in 2023.

Salary increases

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.89 An entity shall measure its defined benefit obligations on a basis that reflects: (b) any estimated future salary increases that affect the benefits payable.
>
> IPSAS 39.92 Estimates of future salary increases take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The WHO relies on the salary scales as provided by the UNTF, which are built by the UNJSPF and used for the actuarial valuation of the UNJSPF.

The salary scales as built by the UNJSPF consider:

• an age-based static increase using different rates for General Service and Professional staff.

• a further 3.1% increase (compared to 3.0% in 2022), to reflect a 2.6% inflation (compared to 2.5% in 2022) assumption and a 0.5% per year productivity increase.

Per capita claims

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.99 Measurement of post-employment medical benefits requires assumptions about the level and frequency of future claims and the cost of meeting those claims. An entity estimates future medical costs on the basis of historical data about the entity's own experience, supplemented where necessary by historical data from other entities, insurance companies, medical providers, or other sources. Estimates of future medical costs consider the effect of technological advances, changes in health care utilization or delivery patterns, and changes in the health status of plan participants.
>
> IPSAS 39.88 The level and frequency of claims is particularly sensitive to the age, health status, and gender of employees (and their dependents), and may be sensitive to other factors such as geographical location. Therefore, historical data are adjusted to the extent that the demographic mix of the population differs from that of the population used as a basis for the data. It is also adjusted where there is reliable evidence that historical trends will not continue.

For estimating the per capita claims we conducted a study in 2023 based in historical claims.

For administrative expense on medical claims, the WHO assumes future administrative expenses equal to 7.9% of claims, based on a study performed in 2020.

Participants cost sharing is based on applicable SHI plan rules, with currently First Tier actual cost sharing at 33%/66%, with an additional contribution by entities of 2%+ until full funding.

Health care cost trend rates

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.99. Measurement of post-employment medical benefits requires assumptions about the level and frequency of future claims and the cost of meeting those claims. An entity estimates future medical costs based on historical data about the entity's own experience, supplemented where necessary by historical data from other entities, insurance companies, medical providers, or other sources. Estimates of future medical costs consider the effect of technological advances, changes in health care utilization or delivery patterns, and changes in the health status of plan participants.

For estimating future medical cost increases, the WHO relies on the below market-based approach through the determination of:

• an initial rate based on current market trends by currency, more specifically based on the latest AON Global Medical Trend Rates Report;

• a SHI WHO overperformance-reduction factor, applied to market trends to reflect the fact that WHO SHI medical cost increases are below market, and which is based on the review of actual yearly cost increases against market increase over the recent period;

• an ultimate long-term rate based on UN Task force ultimate rates weighted by currency;

• a grad down from the initial rate to the ultimate rate assessed through the estimated timing of convergence for the underlying market data (general inflation and real GDP growth).

Under UNTF methodology, medical trend is assumed to consist of:

• General Inflation: as defined in Section 8.1.3, and adjusted to a 20-year time horizon, rounded to the nearest 0.1%

• Real, Per-Capita GDP Growth: From the latest available OECD long-term baseline forecast, calculating average for the next 40 years, rounded to the nearest 0.1%

• Cost Shifting to the Medical Sector: 0.25% per year, consistent with standard actuarial assumptions.

The UNTF provides each year ultimate rates for Eurozone, Switzerland, and the United States. Rates for 2023 are set in the below table:

Component	**Eurozone**
Long-Term Inflation	2.3%
Real, Per-Capita GDP Growth	1.4%
Cost Shifting to the Medical Sector	0.25%
Total	**3.95%**

Mortality rates

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.83. An entity shall determine its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.
>
> IPSAS 39.84. In order to estimate the ultimate cost of the benefit an entity takes into consideration expected changes in mortality, for example by modifying standard mortality tables with estimates of mortality improvements.

The WHO relies on the mortality experience as observed on the participants to the UNJSPF, which is deemed to be a reliable basis to assess the mortality of ASHI participants.

Pre-retirement rates

The mortality rates for active participants before retirement are developed by the UNJSPF, with the assistance of an actuary, using the actual mortality experience of the pension plan actives' participants. These rates are determined by staff type, such as Professional or General, as well as demographic factors like age and sex and factors such as the Normal Retirement Age (NRA).

Post-retirement rates

At the TFAS 2020 annual meeting, it was decided to authorize the development of mortality tables developed in the same manner as the 2017 UNJSPF tables but weighted by headcount rather than by annuity size. It was agreed that headcount-weighted tables may be a suitable refinement in estimate for use in ASHI valuations since the benefits are more closely aligned with a per capita formula. Buck actuaries used the same methodology and data used in constructing the 2017 United Nations Mortality Tables, except the experience data is weighted equally regardless of the annuity size.

The UNJSPF demographic experience and assumptions are reviewed biennially, in line with the UNJSPF's biennial actuarial valuation cycle, these assumptions were last formally reviewed in 2021. The base mortality tables are expected to be used until at least 2027, when the next full mortality study is expected to be undertaken by UNJSPF.

Withdrawal rates

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.78(a). Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Actuarial assumptions comprise demographic assumptions about the future characteristics of current and former employees (and their dependents) who are eligible for benefits. Demographic assumptions deal with matters such as: (ii) rates of employee turnover, disability, and early retirement.

The WHO relies on the turnover assumption as set by the UNJSPF as a best estimate for assessing which among the current employees will be eligible for benefits. The UNJSPF has built from historical experience so-called “withdrawal tables”, established by sex, years of service and staff group (professional svc vs general svc).

Disability rates

Disability rates are 50% of those recommended by the U.N. Task Force. The 50% adjustment is based on a study that AON performed of WHO’s experience from 2005–2016. The lower disability rates for WHO are believed to be partly due to the existence of the Group Accident Insurance, which is intended to rehabilitate participants when possible and thereby prevent long-term disablements.

Retirement age

IPSAS 39 does not specifically address the issue of retirement age. The best estimate of retirement age should reflect the terms and conditions of the plan and any statutory requirements that affect the employee’s right to retire. It should also consider the expected behaviour of employees, such as their historical and expected retirement patterns, and any incentives or disincentives for early or late retirement.

The WHO relies on the retirement age assumption as set by the UNJSPF as a best estimate of retirement age.

Under pension rules, any participant who has five years of contributory service receives, upon separation at or after normal retirement age, a retirement benefit payable for the remainder of his or her life. "Normal retirement age" (NRA) means age 60 for a participant whose service commenced prior to 1 January 1990; age 62 for a participant whose service commenced or recommenced on or after 1 January 1990 and before 1 January 2014; and age 65 for a participant whose service commences or recommences on or after 1 January 2014.

The UNJSPF has built from historical experience retirement rates table, established by NRA, sex, years of service and staff group (professional svc vs general svc).

These tables are deemed to be appropriate to estimate probable retirement age.

Age difference between spouses

Main requirements by IPSAS 39 are as follows:

> IPSAS 39.78(a). Actuarial assumptions are an entity’s best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Actuarial assumptions comprise demographic assumptions about the future characteristics of current and former employees (and their dependents) who are eligible for benefits.

For Europe and Rest of World, the assumption is set at +5 years / -4 years and is based on a study that Aon performed of retirements from 2008 through 2013.

For the Americas, the assumption is set at +6 years / -4 years and is based on a late 2021 study that Aon performed of retirements from 2017 through 2021.

Scheme enrolment

The rates for Europe and Rest of World were conservatively prescribed by WHO for the 31 December 2022 valuation and are 100% in 2022 and 2023 respectively.

Adult dependent coverage at retirement

The rates for Europe and Rest of World are based on a study that Aon performed of retirements from 2008 through 2013 and are 85%/55% in 2022 and 2023 for Male and Female respectively.

Lapse rate

The WHO considers that current lapse rate is immaterial and conservatively makes no assumption for future lapse rates (i.e., lapse rate is equal to zero for all retirees and future retirees).

f) United Nations Joint Staff Pension Fund:

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

The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. WHO/IARC and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WHO/IARC's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, WHO/IARC has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). WHO/IARC's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

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

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

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

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

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

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2019, 2020 and 2021) amounted to US$ 8 505.27 million, of which 7% was contributed by WHO and 0.2% was contributed by IARC.

During 2023, contributions paid to the Fund amounted to US$ 6 243 728 (US$ 5 893 738 in 2022). Expected contributions due in 2024 are approximately US$ 6 614 502.

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

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

5.4 Deferred revenue

Deferred revenue represents multi-year agreements signed in and prior to 2023 for which the revenue recognition has been deferred to future financial periods. Deferred revenue is split into current and non-current depending on the schedule of payment as stated in the donor agreements. The non-current deferred revenue furthest realizable due date is May 2028.

	31-Dec-23	31-Dec-22
Current liabilities	15 473 104	11 633 555
Non-current liabilities	16 568 614	17 748 043
Total deferred revenue	€32 041 718	€29 381 598

Note 6: Net assets/equity

The net assets/equity of the Agency was €9 412 616 in the end of 2023 compared to €9 113 792 in the end of 2022. Statement III provides the summary of changes in net assets/equity by fund and Schedules 1 and 2 provide details of changes in fund balances including revenue and expenditure incurred.

The presentation of net assets/equity in Statement I is segregating the equity by fund as follows:

6.1 Regular Budget

As at the end of reporting period, the fund balance is €1 022 367 which is comprised of committed obligation (€256 426 at the end of 2022). There are no uncommitted funds forwarded to subsequent calendar year (€3 162 224 at the end of 2022).

6.2 Voluntary Contributions

	31-Dec-23	31-Dec-22
Designated voluntary contribution	21 999 702	22 245 523
Undesignated voluntary contribution	521 346	1 012 318
Core voluntary contribution	1 038 021	38 526
Total	€23 559 069	€23 296 367

6.3 Working Capital Fund

	31-Dec-23	31-Dec-22
Beginning balance at beginning of year	1 146 100	1 749 542
Add: New Participating States contribution to WCF		
Decrease in allowances upon receipt of assessed contribution in arrears	0	0
Less: Allowances for assessed contribution in arrears	(618 094)	(603 442)
Ending balance as at end of year	€528 006	€1 146 100

6.4 Governing Council Special Fund

The fund balance of €19 597 328 includes reserves, i.e. expenses authorized by the Governing Council which are not yet incurred. The net increase of €3 637 955 came from contribution from new Participating States (see also Note 3.12b), revenue from sales of publications and interest income.

6.5 Special Account for Programme Support Cost

Fund balance had increase from €4 759 672 in 2022 to €4 858 165 during the reporting period.

6.6 Participating State – Others

The amount of €(40 204 550) represents the net value in Common Fund and Special Purpose Fund accounts.

a) Common Fund includes the inventories and net carrying value of PP&E as follows:

	31-Dec-23	31-Dec-22
Inventories	753 037	601 421
Property, plant and equipment, net	2 247 755	1 786 601
Total common fund	€3 000 792	€2 388 022

b) Special Purpose Fund represents the unfunded portion of employee benefits liabilities as described under Note 5.3.

	31-Dec-23	31-Dec-22
Fund balance in TQ, TP, and POC accounts (Note 5.3b)	9 895 940	9 165 444
Accrued staff salaries funded from other source	0	0
Less: Total accrued staff benefits (Note 5.3a)	(53 101 282)	(51 072 371)
Total special purpose fund	€(43 205 342)	€(41 906 927)

6.7 Trust Fund

This account has a balance of €52 231, which will be used for financing language courses in the following years.

Note 7: Revenue

7.1 Assessed contributions

This account includes budgeted and unbudgeted assessed contributions from Participating States, and receipt from arrears in assessed contributions.

	31-Dec-23	31-Dec-22
Budgeted assessed contribution	22 957 781	22 413 548
Unbudgeted assessed contribution	1 720 068	1 119 528
Increase in allowance for doubtful accounts receivable	(618 094)	(603 442)
Total	€24 059 755	€22 929 634

Budgeted assessed contribution

This refers to contribution from Participating States for the biennial programme budget as per assessments approved by the Governing Council, which is recorded on an accrual basis at the beginning of each year against account receivable. The amount of €22 957 781 shown on these Financial Statements represents the contribution from Participating States for 2023 approved programme budget (Resolution GC/63/R6). The status of the collection is shown in Schedule 3.

Unbudgeted assessed contribution

The unbudgeted assessed contribution includes contribution from People's Republic of China, whose memberships were accepted in 2021. The 2023 contributions were assessed in accordance with the percentage set forth in IARC Financial Regulations Article IV.4.3 and Resolution GC/54/R18.

	31-Dec-23	31-Dec-22
Contribution from People's Republic of China	1 720 068	1 119 528
Total	€1 720 068	€1 119 528

Increase in allowance for doubtful accounts receivable

The allowance for doubtful accounts receivable amounting to €618 094 was established for assessed contribution pending from a Participating State.

7.2 Voluntary contributions

The total revenue from voluntary contributions was €20 367 900. There was no write off nor allowance for doubtful accounts receivable in 2023.

	31-Dec-23	31-Dec-22
Core Voluntary Contribution Account	482 820	32 820
Designated voluntary contributions*	19 782 135	24 958 982
Undesignated voluntary contributions	102 945	23 858
Total	€20 367 900	€25 015 660

*Designated voluntary contributions include the contributions received when IARC personnel were invited to some events and designated to support activities of the Agency. Starting 2023, IARC is recognizing in-kind revenue corresponding to the rental cost of the Nouveau Centre building, which is €2.7 million annually (see also note 8.6 on procurement and various operating expenses). In 2023, IARC also received in-kind donations for Nouveau Centre amounting to €92 068 in the form of furniture and equipment (€72 069) and cash donation (€19 999).

7.3 Sale of publications

The revenue received from sale of IARC hard copy publications and subscription fees to access the WHO Classification of Tumours online in 2023 slightly increased from the prior year.

As per the agreement between IARC and WHO on the sale of hard copy publications, WHO retains the specified percentage (35% and 27 % in respect of IARC publications and blue books respectively) of net revenue from the sale of IARC Publications.

	31-Dec-23	31-Dec-22
IARC hard copy publications	709 323	1 078 102
Subscription fees to access the WHO Classification of Tumours online	1 577 198	1 094 545
Total	€2 286 521	€2 172 647

7.4 Other operating revenue

	31-Dec-23	31-Dec-22
Indemnity transfer of 3 old IARC buildings	0	573 616
Sale of equipment and materials	0	23 839
Other income	81 632	50 702
Total	€81 632	€648 157

7.5 Trust fund

This account refers to the fees collected from personnel enrolled in the language courses offered by IARC. In 2023, there were no fees collected due to operating procedure of the current language course provider (€1045 in 2022).

7.6 Financial revenue

The interest received of €1 599 488 have arisen from the deposits held and are classified as part of the operating activities. Interest income amounting to €31 754 was apportioned to the undesignated voluntary contribution as approved by the Governing Council under its Resolution GC/23/R6. The remaining interest income amounting to €1 567 734 was credited to the Governing Council Special Fund.

	31-Dec-23	31-Dec-22
Interest income apportioned to VC account	31 754	10 816
Interest income credited to GCSF account	1 567 734	217 912
Total	€1 599 488	€228 728

7.7 Income from services rendered

The total programme support cost of €1 365 337 collected from the designated voluntary contribution during the reporting period are eliminated in the Statement II (see Note 3.12g). It can be found in Schedules 1 and 2.

Note 8: Expenses

8.1 Staff cost

This amount represents the total cost of employing staff at all levels, professional and general service staff. It includes base salary, post adjustment, and other types of entitlements paid by the Agency. Staff costs also include the movement in the actuarial cost for staff health insurance and terminal payments liability (refer to Note 5.3) that is recognized in the Statement of Financial Performance (Statement II).

	31-Dec-23	31-Dec-22
Staff cost	23 433 993	22 723 830
Actuarial cost	1 730 181	3 271 852
Total	€25 164 174	€25 995 682

8.2 Temporary assistants, advisors and participants

For temporary assistants, the costs include the payroll cost of temporary staff, non-payroll staff entitlements and terminal payments, the Agency share on the staff pension fund and staff health insurance. For temporary advisors and participants, the costs are related to those meetings they participate.

	31-Dec-23	31-Dec-22
Temporary assistant cost	2 004 951	2 039 561
Temporary advisor and participant cost	646 405	368 098
Total	€2 651 356	€2 407 659

8.3 Fellows

Costs include the Stipend cost and other entitlements of IARC personnel in the ECVS category that includes visiting scientists and senior visiting scientists under the collaboration programmes, postdoctoral scientists on the fellowship programmes, and students (masters and doctorate) on the trainee programmes.

	31-Dec-23	31-Dec-22
Stipend and other entitlements	€3 037 864	€3 155 558

8.4 Duty travel

The travel cost of staff and fellows paid by the Agency is included in the total duty travel costs. This includes airfare, per diem and incidentals. This does not include statutory travel which is accounted for within staff costs.

	31-Dec-23	31-Dec-22
Travel cost	€786 479	€700 163

8.5 Research and other agreements

These include cost for Collaborative Research Agreement (CRA), consortium and partnership agreements, consultant contracts and other types of contracts, including Agreements for the Performance of Work (APW), Material Transfer Agreement (MTA), and Data Transfer Agreement (DTA).

	31-Dec-23	31-Dec-22
Collaborative research and consortium agreements	4 507 234	4 273 103
Consultants cost	599 703	508 307
Agreement for the performance of work and others	577 089	371 413
Total	€5 684 026	€5 152 823

8.6 Procurement and various operating expenses

These include cost of procurement of equipment and furniture below the capitalization threshold, office services and various other operating expenses. The main increases are related to in-kind office rent of the Nouveau Centre building (€2.7 million) and increase in utility costs from €1.54 million in 2022 to €2.84 in 2023 mainly due to increase in energy prices.

	31-Dec-23	31-Dec-22
Utility and maintenance cost	2 841 576	1 545 524
Supplies & materials	1 018 037	1 278 745
Equipment and furniture	2 005 893	1 911 258
Office rent (in-kind)	2 700 000	
Security cost	390 347	461 076
Others operating cost	1 024 926	681 290
Total	€9 980 779	€5 877 893

8.7 Cost of distribution and disposal of inventories

It includes the cost of inventories that were distributed and disposed during the reporting period using weighted average cost method.

	31-Dec-23	31-Dec-22
Cost of distribution and disposal of inventories	€111 552	€257 096

8.8 Depreciation expense

It includes the depreciation of property, plant and equipment during the reporting period using straight line method.

	31-Dec-23	31-Dec-22
Depreciation	€542 371	€335 754

8.9 Financial cost

This includes bank charges only.

8.10 Net foreign (gain)/loss

This includes net realized and unrealized foreign exchange gains or losses.

	31-Dec-23	31-Dec-22
Net realized foreign exchange loss (gain)	216 893	55 212
Net unrealized foreign exchange loss (gain)	(2 565 912)	4 201 509
Total net foreign exchange loss (gain)	€(2 349 019)	€4 256 721

8.11 Programme support cost

This is the support cost charged to the designated voluntary contribution during the reporting period and is eliminated in the Statement II. It can be found in Schedules 1 and 2 (see also Note 7.7).

8.12 Transfer between Funds

The following table provides details of fund transfers during the reporting period between Regular Budget (RB) and GCSF, and between Designated Voluntary Contribution (VC) and GCSF related to closure of projects.

	GCSF	RB	Common Fund
Transfer from GCSF to RB for budgetary cost due FX loss (currency realignment)	(10 400)	10 400	
Transfer from RB to GCSF for RB2021 balance	7450	(7450)	
Transfer to GCSF (re GC/63/11)	149 742		(149 742)
Grant closure adjustments to GCSF	1058		(1058)
Net transfer between funds	147 850	2950	(150 800)

Note 9: Reconciliation of key figures in Statement I and Statement IV

Statement of Cash Flows (Statement IV) is closely linked with the Statement of Financial Position (Statement I). Statement IV explains the effects of change in cash and cash equivalents balance at the beginning and end of the reporting period in terms of the cash flow impact of changes in the components of Statement I, including assets, liabilities and net assets/equity.

Some components of Statement I that affect cashflow, i.e. accounts receivable, staff receivables, account payable, and accrued staff benefits included also transactions in non-euro denominated currencies, such as US dollars, pounds sterling, Norwegian krone, etc. At the end of the reporting period, these items were revaluated using the UNORE as at 31 December 2023. The net unrealized foreign exchange gains or losses were accounted under the respective components in Statement I.

This Note provides additional information to facilitate the reconciliation of changes of such components as well as the changes in property, plant and equipment between Statement I and Statement IV.

	As at 31-Dec-23	As at 31-Dec-22
Accounts receivable (current)		
Changes in Statement I from prior year	(2 353 520)	(3 073 970)
Unrealized exchange rate gain/(loss)	(23 357)	(84 325)
(Increase) decrease in accounts receivable (current) as per Statement IV	€(2 376 877)	€(3 158 295)
Staff receivable		
Changes in Statement I from prior year	(31 437)	(16 996)
Unrealized exchange rate gain/(loss)	(289)	1008
(Increase) decrease in staff receivable as per Statement IV	€(31 726)	€(15 988)
Accounts receivable (non-current)		
Changes in Statement I from prior year	1 482 263	(9 240 933)
Unrealized exchange rate gain/(loss)	(306 753)	34 228
(Increase) decrease in accounts receivable (non-current) as per Statement IV	€1 175 510	€(9 206 705)
Property, plant and equipment		
Changes in Statement I from prior year	(461 154)	(331 725)
Depreciation	(542 371)	(335 754)
(Increase) decrease in property, plant and equipment as per Statement IV	€(1 003 525)	€(667 479)
Accounts payable		
Changes in Statement I from prior year	143 853	(336 058)
Unrealized exchange rate gain/(loss)	163	(2)
Increase (decrease) in accounts payable as per Statement IV	€144 016	€(336 060)

	As at 31-Dec-23	As at 31-Dec-22
Accrued staff benefits liabilities (non-current)		
Changes in Statement I from prior year	1 969 948	(36 511 391)
Unrealized exchange rate gain/(loss)	2 896 148	(4 152 418)
ASHI remeasurement	(2 464 382)	44 500 544
Increase (decrease) in accrued staff benefits liabilities (non-current) as per Statement IV	€2 401 714	€3 836 735

Note 10: Comparison of budget and actual amounts

Through the 63rd Governing Council meeting, Resolution GC/63/R6, the total effective regular budget was approved for 2022–2023 for €45 371 329, of which €22 413 548 and €22 957 781 are allocated for 2022 and 2023 work plans, respectively. Authorized under the same Resolution, the Director approved the transfers between sections of the budget during the biennium, not exceeding to 15% of the section from which the credit was transferred. Details are shown under column "Transfers" in the Statement of Comparison of Budget and Actual Amounts (Statement V).

Reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance (Statement II) for the period ended 31 December 2023 is presented below:

	31-Dec-23	31-Dec-22
Actual amount on comparison - Statement V	25 354 064	18 994 898
Time difference	(7450)	1 978 084
Basis differences	20 285 476	27 186 923
Actual expenses – Statement II	€45 632 090	€48 159 905

Note 11: Related party and other key management personnel disclosure

IPSAS 20 requires the Agency to disclose information concerning the remuneration and benefits of Key Management Personnel (KMP), and details of transactions between such individuals and entities that are "significantly influenced" by IARC/WHO (referred to as "related party transactions"). KMP of the Agency include staff at director level and above.

The table below details the number of KMP of IARC and the aggregate remuneration and benefits paid for 2023. The aggregate remuneration of KMP includes net salaries, post adjustment, entitlements such as representation allowance and educational grants, employee pension and current health insurance contributions.

Number of Individuals	Compensation and post adjustment	Entitlements	Pension and health plans	Total remuneration	Outstanding advances against entitlements	Outstanding loans (in addition to normal entitlement)
3	€368 591	€46 269	€138 955	€553 815	€45 192	-

During the year, no loans were granted to key management personnel beyond those widely available to staff outside this grouping.

Note 12: Amounts written off and ex-gratia payments

There were no write-off and no ex-gratia payments made in 2023.

Note 13: Events after the reporting date

The reporting date for these financial statements is 31 December 2023. There have been no events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

Note 14: Provisions, Contingent liabilities and contingent assets

14.1 Contingent assets and contingent liabilities

In accordance with IPSAS 19, contingent assets or contingent liabilities will be disclosed for cases where an event will give rise to a probable inflow or outflow respectively, of economic benefits. As at 31 December 2023, there are no material contingent assets or contingent liabilities to disclose. IARC also has no pending legal cases.

14.2 Operating lease commitments

IARC entered into an operating lease arrangement for printers since November 2012.

IARC has no finance lease as at the end of the reporting date.

SCHEDULE 1 - Statement of Financial Performance by Major Funds

International Agency for Research on Cancer
Statement of Financial Performance by Major Funds and Other Funds
For the year ended 31 December 2023
(amount in Euros)

	Ref	Notes	Regular Budget	Regular Budget 2021	Regular Budget 2023	Working Capital Fund	Other funds	Voluntary Contributions Account	Trust funds	Sub-totals	Eliminations	for the year ended **31 December 2023**
REVENUE		Note 7										
Assessed contributions	3.02	7.1	22 957 781		22 957 781	(618 094)	1 720 068			24 059 755		**24 059 755**
Voluntary contributions	3.04	7.2						20 367 900		20 367 900		**20 367 900**
Revenue-producing activities	3.05	7.3					2 286 521			2 286 521		**2 286 521**
Other operating revenue	3.06	7.4					81 632			81 632		**81 632**
Trust Fund	3.07	7.5										
Income from services rendered	3.19	7.7					1 365 337			1 365 337	(1 365 337)	
Financial revenue	3.16	7.6					1 567 734	31 754		1 599 488		**1 599 488**
Total revenue			22 957 781		22 957 781	(618 094)	7 021 292	20 399 654		49 760 633	(1 365 337)	**48 395 296**
EXPENSES		Note 8										
Staff cost	3.08	8.1	16 918 803		16 918 803		2 613 931	5 631 440		25 164 174		**25 164 174**
Temporary assistants, advisors and participants	3.09	8.2	1 148 053		1 148 053		272 847	1 230 456		2 651 356		**2 651 356**
Fellows	3.10	8.3	1 003 837		1 003 837		12 838	2 021 189		3 037 864		**3 037 864**
Duty travel (staff, fellows)	3.11	8.4	399 965		399 965		27 581	358 933		786 479		**786 479**
Research and other agreements	3.12	8.5	859 571		859 571		241 880	4 582 575		5 684 026		**5 684 026**
Procurement and various operating expenses	3.13	8.6	4 553 844	(7 450)	4 561 294		1 137 692	4 289 243		9 980 779		**9 980 779**
Cost of distribution & disposal of inventory	3.18	8.7					111 552			111 552		**111 552**
Depreciation	3.14	8.8					542 371			542 371		**542 371**
Financial cost	3.21	8.9	1 409		1 409		21 099			22 508		**22 508**
Programme support cost	3.19	8.11						1 365 337		1 365 337	(1 365 337)	
Total expenses			24 885 482	(7 450)	24 892 932		4 981 791	19 479 173		49 346 446	(1 365 337)	**47 981 109**
Net foreign exchange loss (gain)	3.20	8.10					(2 349 019)			(2 349 019)		**(2 349 019)**
TOTAL SURPLUS (DEFICIT) FOR THE YEAR			(1 927 701)	7 450	(1 935 151)	(618 094)	4 388 520	920 481		2 763 206		**2 763 206**
Capital expenditures												
Inventories	4.11		(64 737)		(64 737)		92 807	(28 070)				
Property plant & equipment	4.07		(406 795)		(406 795)		885 703	(478 908)				
Transfer between funds	3.17	8.12	2 950	(7 450)	10 400		147 851	(150 801)				
TOTAL CHANGES IN FUND BALANCES	3.18		(2 396 283)		(2 396 283)	(618 094)	5 514 881	262 702		2 763 206		**2 763 206**

SCHEDULE 2 - Statement of Financial Performance by Other Funds

International Agency for Research on Cancer
Statement of Financial Performance by Other Funds
For the year ended 31 December 2023
(amount in Euros)

	Ref	Notes	Governing Council Special Fund	Special Account for Programme Support Costs	Common Fund PPE	Common Fund Inventories	Special Purpose Fund	Participating States Others	for the year ended **31 December 2023**
REVENUE	1.6	Note 7							
Assessed contributions	3.02	7.1	1 720 068						**1 720 068**
Revenue-producing activities	3.05	7.3	2 286 521						**2 286 521**
Other operating revenue	3.06	7.4	81 632						**81 632**
Income from service rendered	3.19	7.7		1 365 337					**1 365 337**
Financial revenue	3.16	7.6	1 567 734						**1 567 734**
Total revenue			5 655 955	1 365 337					**7 021 292**
EXPENSES	1.8	Note 8							
Staff cost	3.08	8.1	786 497	97 253			1,730,181	1 730 181	**2 613 931**
Temporary assistants, advisors and participants	3.09	8.2	272 847						**272 847**
Fellows	3.10	8.3	2 122	10 716					**12 838**
Duty travel (staff, fellows)	3.11	8.4	19 214	8 367					**27 581**
Research and other agreements	3.12	8.5	191 201	50 679					**241 880**
Procurement and various operating expenses	3.13	8.6	124 990	1 012 702					**1 137 692**
Cost of distribution & disposal of inventory	3.18	8.7				111 552		111 552	**111 552**
Depreciation	3.14	8.8			542 371			542 371	**542 371**
Financial cost	3.21	8.9		21 099					**21 099**
Total expenses			1 396 871	1 200 816	542 371	111 552	1 730 181	2 384 104	**4 981 791**
Net foreign exchange loss (gain)	3.20	8.10	547 129				(2 896 148)	(2 896 148)	**(2 349 019)**
TOTAL SURPLUS (DEFICIT) FOR THE YEAR			3 711 955	164 521	(542 371)	(111 552)	1 165 967	512 044	**4 388 520**
Capital expenditures									
Inventories	4.11		(170 361)			263 168		263 168	**92 807**
Property, plant & equipment	4.07		(51 794)	(66 028)	1 003 525			1 003 525	**885 703**
Transfer between funds	3.17	8.12	147 851						**147 851**
TOTAL CHANGES IN FUND BALANCES			3 637 651	98 493	461 154	151 616	1 165 967	1 778 737	**5 514 881**

International Agency for Research on Cancer

World Health Organization

SCHEDULE 3 - Status of Collection of Assessed Contributions

STATUS OF COLLECTION OF ASSESSED CONTRIBUTIONS AND CVCA FROM PARTICIPATING STATES
As at 31 December 2023
(amount in Euros)

	2023 Assessments			Assessments of prior financial years					
Participating States	Assessments	Collected	Balance as of 31 December 2023	Balance as of 01-Jan-23	Collected during 2023	Balance as of 31 December 2023	Total Outstanding Assessment as of 31 December 2023	Advance Contribution vs 2024 AC (1)	CVCA Received in 2023 (4)
Budgeted Assessment:									
Australia	893 586	893 586							
Austria	755 842	755 842							
Belgium (1)	755 842	755 842						40 880	
Brazil	893 586	893 586							
Canada (1)	893 586	893 586						886 634	
Denmark	755 842		755 842				755 842		
Finland	618 094	618 094							
France	1 169 081	1 169 081							
Germany	1 169 081	1 169 081							450 000
Hungary	618 094	588 771	29 323	29 323	29 323		29 323		
India	755 842	755 842		737 922	737 922				
Iran (Islamic Republic of) (2)	618 094		618 094	2 284 250		2 284 250	2 902 344		
Ireland	618 094	618 094							
Italy	893 586	893 586							
Japan	1 720 068	1 720 068							
Morocco	618 094	618 094							
Netherlands	755 842	755 842							
Norway	755 842	755 842							
Qatar	618 094	618 054	40	20	20		40		
Republic of Korea	893 586	803 945	89 641				89 641		
Russian Federation	893 586	893 586		19 700	19 700				
Spain	893 586	893 586							
Sweden	755 842	755 842							
Switzerland	755 842	755 842							
United Kingdom of Great Britain and Northern Ireland	1 169 081	1 169 081							32 820
United States of America	1 720 068	516 020	1 204 048	1 175 504	1 175 504		1 204 048		
TOTAL	**22 957 781**	**20 260 793**	**2 696 988**	**4 246 719**	**1 962 469**	**2 284 250**	**4 981 238**	**927 514**	**482 820**
% of collection		**88.25%**							
Unbudgeted Assessment									
People's Republic of China (3)	1 720 068	1 720 068							
GRAND TOTAL	**24 677 849**	**21 980 861**	**2 696 988**	**4 246 719**	**1 962 469**	**2 284 250**	**4 981 238**	**927 514**	**482 820**

(1) Participating States 2024 Assessed contribution were partially received in advance in 2023

(2) Iran's (Islamic Republic of) membership accepted in 2018. Arrears in assessed contribution comprised of: €603 442 (2022AC); €623 953 (2021 AC); €612 241 (2020 AC); €415 099 (2019 AC) and €29 515 (2018 AC).

(3) China's membership was accepted in 2021.
2023 contribution equals to full assessed contribution of Group 1 Participating States and accounted under the unbudgeted assessment.

(4) In addition to AC, some Participating States also contributed into the Core Voluntary Contribution Account (CVCA) to supplement the regular budget 2022-2023.