

30th SESSION STANDING COMMITTEE
ON PROGRAMMES AND FINANCE

AGENDA ITEM 5a

Financial Report for the year ended
31 December 2021

Joseph S. Appiah

Comptroller / Director

Department of Financial and Administrative Management

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

1. MANAGEMENT REPORT

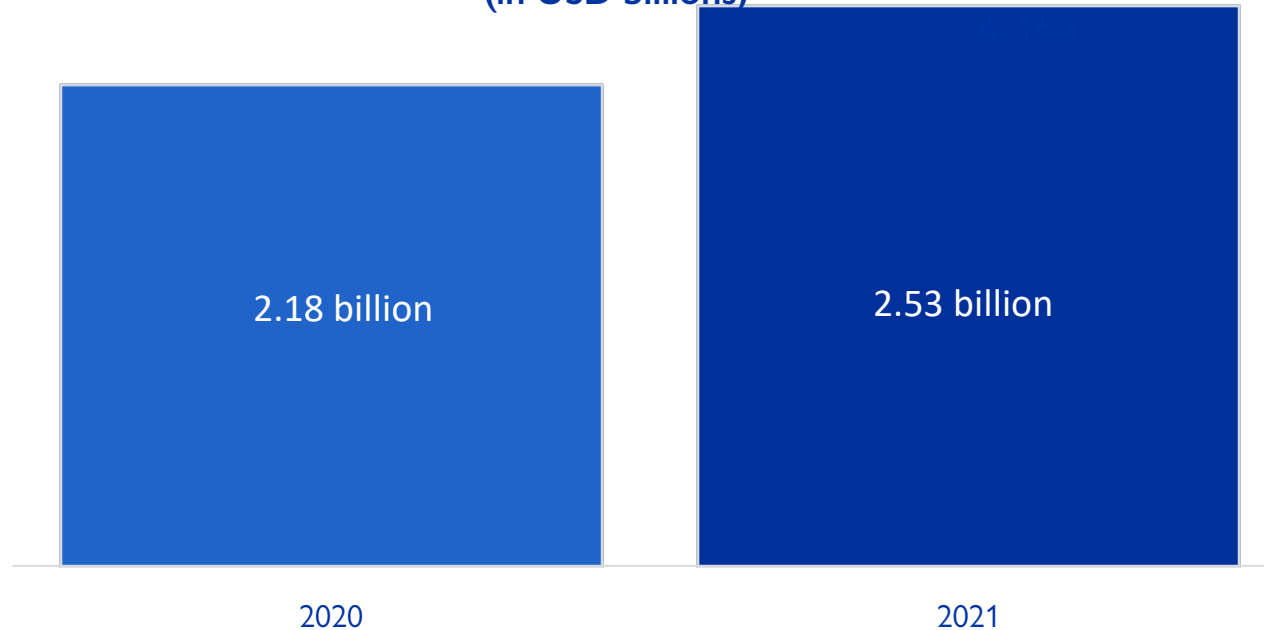
- Records provide reasonable detail and accurately reflects transactions.
- Transactions are executed in accordance with financial regulations.
- Reasonable assurance is provided regarding prevention and detection of unauthorized acquisitions.

2. EXTERNAL AUDITOR OPINION – UNQUALIFIED OPINION

- The financial report, related notes and other disclosures give a true and fair view of the financial position for the year ended 31 December 2021.
- In arriving at its opinion, the External Auditor undertook:
 - Performance audits (Processing Pension Claim Documents),
 - Compliance audits (10 offices: Brazil, Chad, DR Congo, Ecuador, El Salvador, Greece, Mexico, Sri Lanka, Sudan and Viet Nam).

HIGHLIGHTS FINANCIAL PERFORMANCE

TOTAL COMBINED EXPENDITURE (in USD billions)



For the 4th year in a row, the organization maintained a consistent **growth**.

The revenue from voluntary contributions, combined with the **deferred revenue** (contributions secured for projects to be realized beyond 2021) reached **USD 3.9 billion** (2020: 3.5 billion).

3,396 projects were financially active during the year (2020: 3,246), a **5% increase**.

The administrative budget remains as in the past 5 years at approximately 3% of the total costs.

TOTAL EXPENDITURE - 5 YEARS TREND (in USD millions)



	2017	2018	2019	2020	2021
Admin	54,1	55,0	54,4	60,5	62,6
Operational	1.552,3	1.738,6	2.041,1	2.117,2	2.469,5
Total	1.606,4	1.793,5	2.095,5	2.177,7	2.532,1
Percentage increase	100%	112%	117%	104%	116%

Statement of financial performance

Administrative part of the Budget

The Administrative programme accounts for app. 3 per cent of consolidated expenditure in 2021.

The Administrative programme resulted in a surplus of CHF 26 before provision for doubtful receivables for 2021.

Total deficit after factoring in the increase in the provision for doubtful receivables and expenses brought forward at the beginning of the year amounts to CHF 6,580,995.

	BUDGET		ACTUAL	
	2021 CHF	2021 CHF	2021 CHF	2020 CHF
REVENUE			53 189 080	52 242 614
EXPENSES				
Total: Staff salaries, benefits, travel and representation	42 065 166	43 749 233		41 344 689
Total: General office	4 439 960	2 708 210		4 422 649
Total: Contractual services	2 377 954	2 428 159		1 830 902
Total: Others	4 306 000	4 303 452		4 200 882
Subtotal: Expenses - before provision for doubtful receivables	53 189 080	53 189 054		51 799 122
SURPLUS/(DEFICIT) BEFORE PROVISION FOR DOUBTFUL RECEIVABLES IN CHF		26		443 492
(Increase)/decrease in provision for doubtful receivables		(2 872 723)		(2 671 416)
SURPLUS/(DEFICIT) FOR THE PERIOD IN CHF (on modified accruals (budgetary) basis)		(2 872 697)		(2 227 924)
Excess of resources/(expenses) brought forward at the beginning of the year		(3 708 298)		(1 480 374)
SURPLUS/(DEFICIT) AT THE END OF THE PERIOD IN CHF		(6 580 995)		(3 708 298)

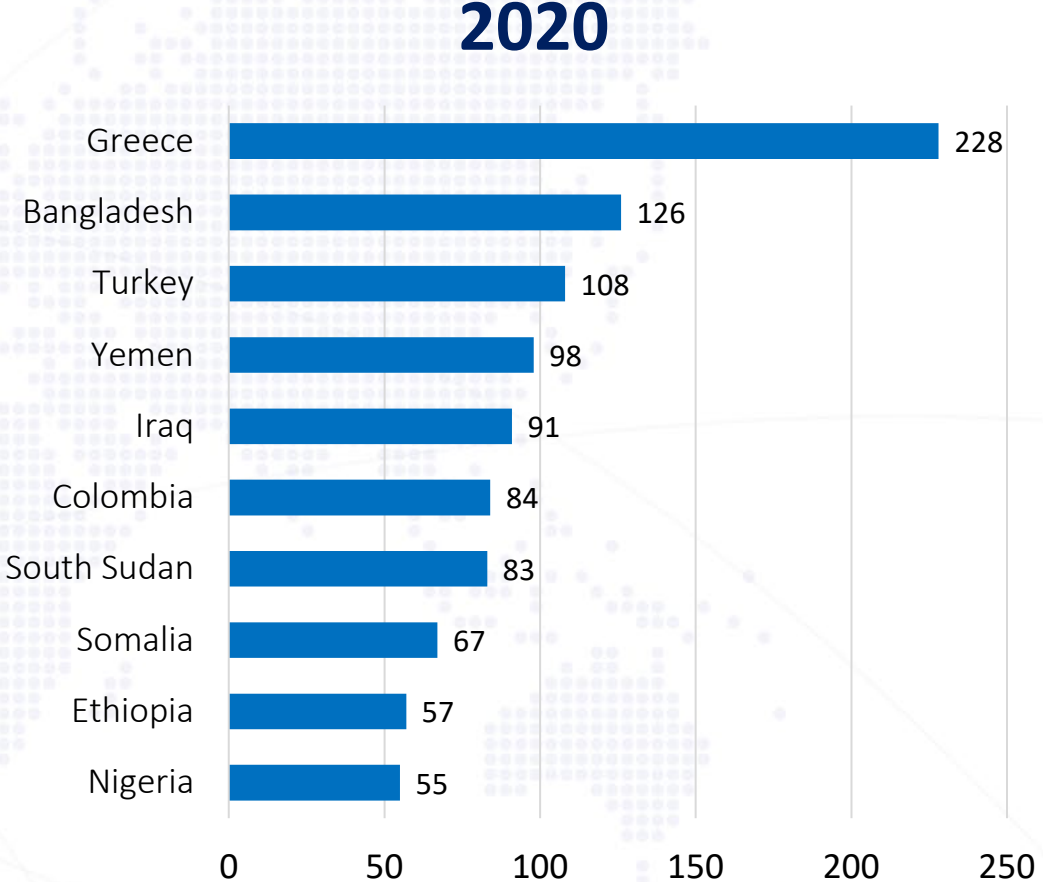
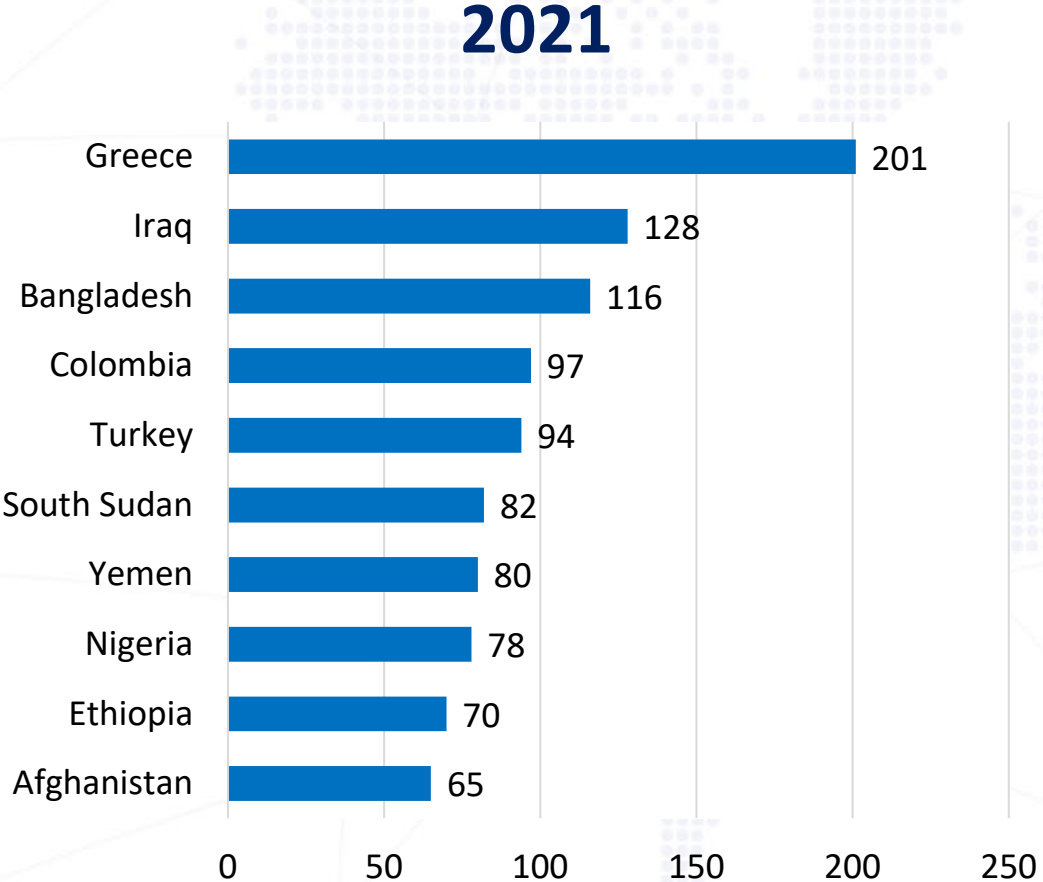
EXPENDITURE PER SERVICE SEGMENT AND REGION

Service Area	Asia	Africa	Europe	Latin America and the Caribbean	Middle East	North America	Global Activities	Administrative Programme	Total 2021	Total 2020	% Increase (Decrease)
Movement, Emergency and Post-Crisis Migration	210.0	409.4	304.8	163.5	234.5	31.5	183.4		1 537.1	1 312.8	17%
Migration Health*	35.3	47.6	5.3	4.7	34.6	4.6	77.5	-	209.6	192.2	9%
Migration and Sustainable Development	6.4	13.1	7.2	10.7	8.1	0.1	2.9		48.5	39.7	22%
Regulating Migration	43.2	227.6	158.3	21.5	29.3	4.8	24.6	-	509.3	428.2	19%
Facilitating Migration	10.1	6.6	51.9	26.5	2.8	0.5	25.4		123.8	100.1	24%
Migration Policy, Research and Communications	0.8	8.0	2.5	0.8	0.6		5.4	-	18.1	13.4	35%
Land, Property and Repatriation Programmes	0.3		0.2	13.6	0.0		1.2		15.3	13.8	11%
General Programme Support	7.6	16.7	13.8	3.2	4.1	1.8	(39.4)	-	7.8	17.0	(54%)
Administrative Programme								62.4	62.4	60.5	3%
Total 2021	313.7	729.0	544.0	244.5	314.0	43.3	281.0	62.4	2 531.9	2 177.7	16%
Total 2020	302.4	616.2	542.1	163.9	281.3	22.3	189.0	60.5	2 177.7		
% Increase (Decrease)	4%	18%	0%	49%	12%	94%	49%	3%	16%		

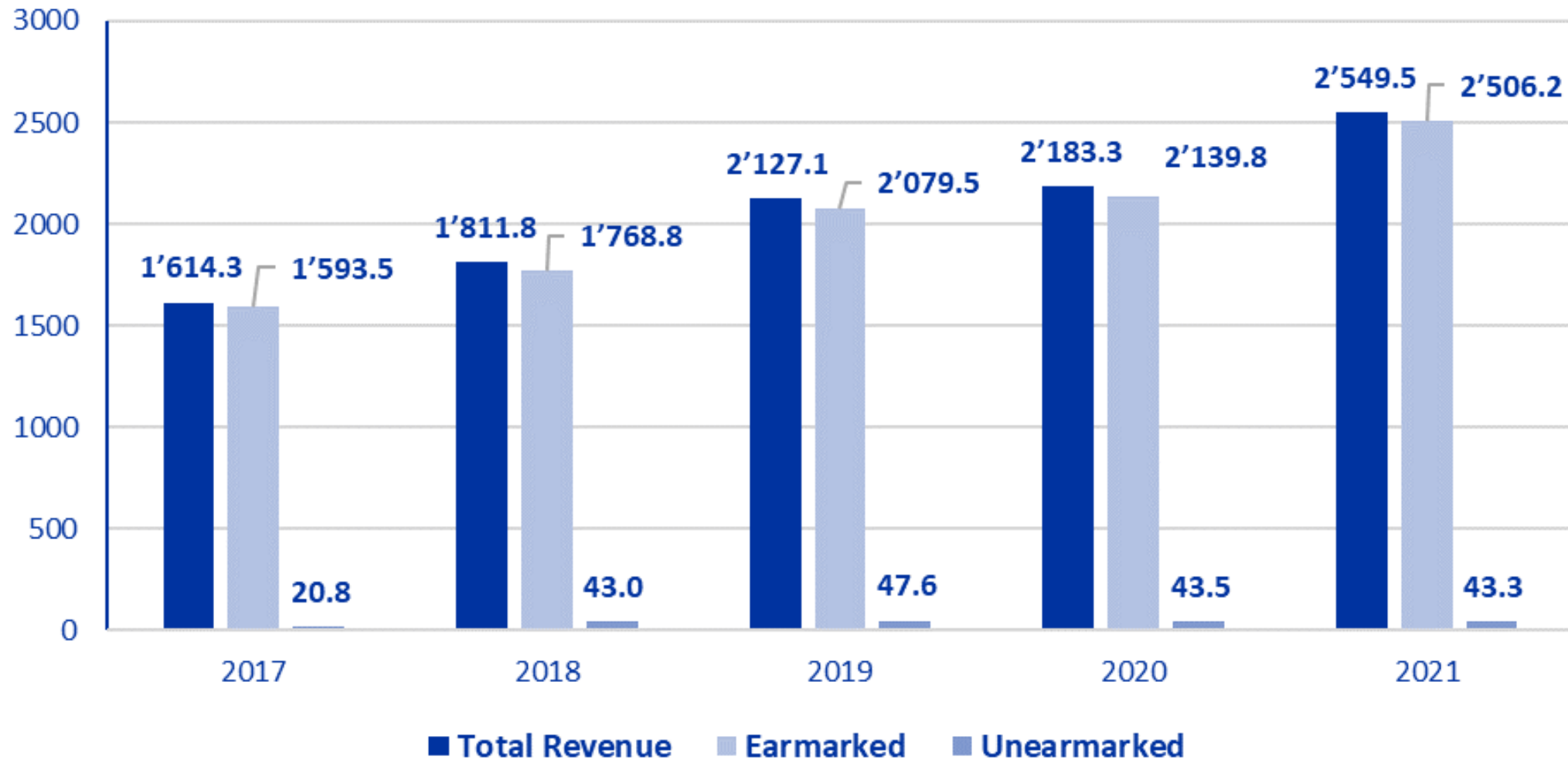
* Health issues cut across all areas of IOM's work. This figure reflects only specific migrant health activities and does not include the health-related expenditure integrated into other services.

OFFICES WITH HIGHEST LEVEL OF EXPENDITURE

(in USD millions)



TOTAL COMBINED REVENUE - 5 YEARS TREND (in USD millions)



STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2021
(in USD million)

ASSETS

- Net increase of cash and cash equivalents, short- and long-term investments.
- Property Plant and Equipment and Intangible Assets increase by 19%, USD73.1 million in 2021 (2020: USD 61.3 million), due to growing operation of the organization.

Assets	2021	2020 (restated)	Increase / (Decrease)	%
Cash and cash equivalents	663 568 045	655 190 311	8 377 734	1.3%
Short term investments	1004 979 881	955 176 990	49 802 891	5.2%
Voluntary contributions receivables	145 958 389	213 314 953	(67 356 564)	(31.6%)
Assessed contributions receivables	5 216 099	13 473 793	(8 267 694)	(61.3%)
Other receivables	36 317 028	30 750 796	5 566 232	18.1%
Inventories	1 299 473	1 544 438	(244 965)	(15.9%)
Long term investments	148 181 858	154 780 203	(6 598 345)	(4.3%)
Property, plant and equipment	70 047 109	60 105 047	9 942 062	16.5%
Intangible Assets	3 062 333	1 192 693	1 869 640	156.8%
Other assets	180 834 951	178 003 239	2 831 712	1.6%
Total Assets	2259 455 166	2263 532 463	(4 077 297)	(0.2%)

STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2020
(in USD million)

LIABILITIES

- Contributions received from donors in advance of performance delivery (5.5% increase).
- The Employee benefit liability under the Operational Budget is fully funded via the TE reserve and by a yearly allotment of CHF 0.7 million under the APOTB.

Liabilities and Net Assets/Equity	2021	2020 (restated)	Increase / (Decrease)	%
Funds received in advance :				
- voluntary contributions	1 392 581 492	1 320 208 502	72 372 990	5.5%
- assessed contributions	1 336 470	924 700	411 770	44.5%
- agency relationships	133 395 383	210 121 143	(78 725 760)	(36.5%)
- other	24 657 149	20 727 994	3 929 155	19.0%
Separation entitlements, ASHI, repatriation grants and Acc. leave	214 064 712	193 831 126	20 233 586	10.4%
Payables to suppliers	255 535 387	225 911 466	29 623 921	13.1%
Borrowings	4 834 129	5 426 759	(592 630)	(10.9%)
Refugee Loan Fund – US equity	20 032 389	24 903 625	(4 871 236)	(19.6%)
Other liabilities	29 031 848	29 473 320	(441 472)	(1.5%)
Total Liabilities	2 075 468 959	2 031 528 635	43 940 324	2.2%
Total Net Assets/Equity	183 996 207	232 003 828	(48 007 621)	(20.7%)
Total Liabilities and Net Assets/Equity	2 259 465 166	2 263 532 463	(4 067 297)	(0.2%)

OPERATIONAL SUPPORT INCOME

(IN USD MILLION)

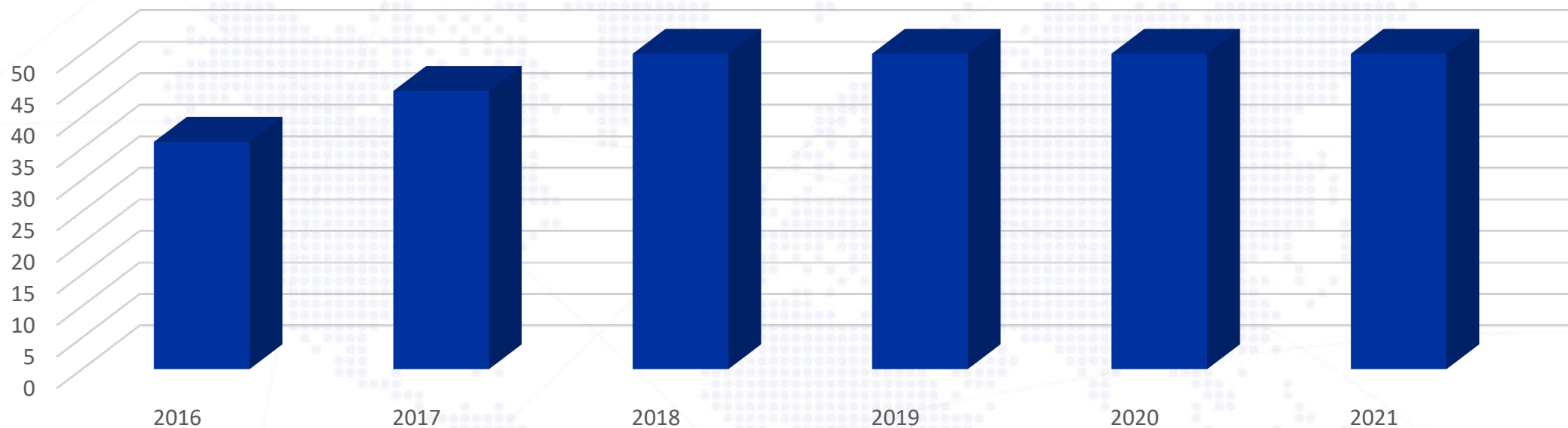
Application of USD 12 million additional overheads:

- USD 2.5 million to cover associated incurred core costs.
- USD 1 million to unforeseen and unbudgeted project shortfalls
- USD 8.5 million to the OSI reserve

OSI SOURCES	2021 Budget	Actual Sources	Variance
Total project-related overhead	112 000 000	134 898 738	22 898 738
Total miscellaneous income	16 000 000	5 142 748	(10 857 252)
TOTAL SOURCES	128 000 000	140 041 486	12 041 486

OPERATIONAL SUPPORT INCOME RESERVE BALANCE

(in USD million)



OSI 2020 Carry forward	USD 62,977,812
2021 Additional OSI	USD 8 544 533
OSI Reserve Drawdown 2021	<u>(USD 5,700,000)</u>
OSI Reserve balance 31 December 2021	USD 65,822,345
Threshold - 1% of 2020 total expenditure*	<u>(USD 21,776,812)</u>
Utilization balance	USD 44,045,533

* C/111/RES/1390

CONTINGENT LIABILITIES

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the entity.

- Out-of-country voting project (Iraq) where a claim of USD 57 million has been dismissed in IOM's favour, but further opportunities for appeal exist with ongoing discussion with Iraqi authorities.
- Contractual dispute in Yemen received a claim of USD 0.6 million in 2021, related to alleged non-payment of delivered goods and related transportation costs, inflation of prices and late payment of interest. In subsequent year 2022, IOM has paid in full the purchase price of the goods it received from the company and rejects the claim as without a legal basis.

SERVICES IN KIND

Donor	Type/Class of services in kind received	Unit/Measure
Audit and Oversight Advisory Committee	Audit advisory services	44 days
Austrian Development Agency	Personnel services	360 days
Boston University	Personnel services	45 days
CANADEM	Personnel services	273 days
Carlo Schmid Programme	Personnel services	660 days
Catholic University of Leuven	Personnel services	120 days
Central European University	Personnel services	420 days
China Scholarship Council	Personnel services	330 days
City of Lausanne (SYNI Programme)	Personnel services	1 545 days
Colgate University	Personnel services	90 days
Danish Refugee Council	Personnel services	923 days
DLA Piper, Sydney	Legal Services	4.6 days
Dutch Surge Support	Personnel services	498 days
Duke University	Personnel services	180 days
Erasmus+	Personnel services	60 days
Federal Ministry for Economic Cooperation and Development, Germany	Personnel services	660 days
Government of Denmark	Personnel services	255 days
Government of France	Personnel services	360 days
Government of Ghana	Audit Services	216 days
Government of the Republic of Korea	Personnel services	360 days
Government of Turkey	Personnel services	360 days

Donor	Type/Class of services in kind received	Unit/Measure
Hodson Trust	Personnel services	60 days
iMMAP	Personnel services	319 days
Mayer Brown, Singapore	Legal Services	0.4 days
Flanders Trainee Programme	Personnel services	1 320 days
Munk School of Global Affairs (University of Toronto)	Personnel services	825 days
New York University School of Law	Personnel services	60 days
Norwegian Refugee Council	Personnel services	5 031 days
Province of Québec	Personnel services	180 days
RedR Australia	Personnel services	488 days
Sant'Anna School of Advanced Studies	Personnel services	195 days
Shanghai International Studies University	Personnel services	120 days
Swiss State Secretariat for Migration	Personnel services	750 days
Swedish Civil Contingencies Agency	Personnel services	2 055 days
Swedish International Development Cooperation Agency	Personnel services	525 days
Swiss Agency for Development and Cooperation	Personnel services	727 days
Tokyo University of Foreign Studies	Personnel services	30 days
Trinity College	Personnel services	90 days
United Nations Association in Canada	Personnel services	420 days
University of Barcelona	Personnel services	180 days
University of Bristol	Personnel services	60 days
University of Vienna	Personnel services	180 days
Wallonie-Bruxelles International	Personnel services	180 days

SUMMARY OF APPENDIXES

Appendix 1 – Assessed Contributions for the period ended 31 December 2021

Appendix 2 – Outstanding Assessed Contributions for the period ended 31 December 2021

Appendix 3 – Statement of Financial Performance by Service for the period ended 31 December 2021

Appendix 4 – Sources and Application of Operational Support Income

Appendix 5 – Expenditure by Location for the period ended 31 December 2021

Appendix 6 – Refugee Loan Fund

Appendix 7 – List of Voluntary Contributions by Donor (Operational programmes)

Appendix 8 – List of Voluntary Contributions by Donor and Programme/Project (Operational programmes)

Appendix 9 – List of Services in Kind Received

THANK YOU

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