

**COUNCIL****Budget Committee****FINANCIAL STATEMENTS OF THE ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT AS AT 31 DECEMBER 2024*****Summary:***

*This document sets out the Organisation's Financial Statements for 2024.*

***Required Action:***

*The Financial Statements are presented to the Budget Committee for information.*

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**JT03567906**

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## OPINION OF THE EXTERNAL AUDITOR

### External Auditor's Opinion on the Financial Statements of the Organisation for Economic Co-operation and Development (OECD) for the year ended 31 December 2024 to the Council of OECD

#### OPINION

The Portuguese Court of Auditors has audited the 2024 annual accounts of the Organisation for Economic Co-operation and Development (OECD), for the year ended 31st December 2024 and the financial transactions underlying them.

The OECD Financial Statements comprise the:

1. Statement of Financial Position as of 31 December 2024.
2. Statement of Financial Performance for the year ended 31 December 2024.
3. Statement of Changes in Cash Flows for the year ended 31 December 2024.
4. Statement of Changes in Net Assets as of 31 December 2024.
5. Notes to the Financial Statements<sup>1</sup>, including a reconciliation of budgetary results and results after IPSAS adjustments<sup>2</sup>.

#### *Unqualified Opinion of financial statements*

In our opinion, the financial statements present a true and fair view, in all material aspects of the financial position of OECD as of 31 December 2024, of its financial performance and of its cash flows for the year ended, in accordance with International Public Sector Accounting Standards (IPSAS).

#### BASIS FOR OPINION

As External Auditor (EA), we conducted the audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions

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<sup>1</sup> Including a summary of significant accounting policies (Note 3).

<sup>2</sup> Through Note 25 and in compliance with IPSAS 1 – paragraph 21 (e) “When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements”.

(INTOSAI), and the International Standards on Auditing (ISAs).

These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the accounts of the OECD are free from material misstatement and the transactions underlying them are legal and regular.

All the rules, instructions, procedures, documentation, and other evidence, as well as the required information and explanations, have been provided timely and adequately.

#### **MANAGEMENT'S RESPONSIBILITY**

The OECD Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as it deems to be necessary to allow the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the ability of OECD 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 OECD 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 the Organisation.

#### **AUDITOR'S RESPONSIBILITY**

We operated independently and performed such audit as deemed necessary to meet financial audit obligations regarding the Audit Committee and the Council.

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 audit report that includes our opinion. Reasonable assurance means a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users based on these financial statements.

As part of the audit and in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), we exercised professional judgment and maintained professional scepticism throughout the audit.

We also performed such tasks as:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures that are 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 OECD.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Draw conclusions as to the appropriateness of the Management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of OECD to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 audit report. However, future events or conditions may cause OECD to cease as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the related disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

Thus, the audit involved performing procedures to obtain sufficient and appropriate evidence about the amounts and disclosures in the financial statements to provide a basis for our opinion. The procedures selected relied on the Auditor's professional judgment, including the assessment of the risks of material misstatements of the Financial Statements, whether due to fraud or error.

In making those risks assessments, the auditor considered the internal control system relevant to the entity's preparation of the financial statements to design audit procedures that are appropriate in the circumstances.

We believe that the audit evidence is sufficient and appropriate to provide a basis for our opinion.

#### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current period. We do not provide a separate opinion on these matters.

##### ▪ Internal Control System

As part of our audit work, we have assessed the overall internal control environment, analyzed relevant internal audit reports, interviewed key personnel, and performed additional procedures on personnel payments, contribution receipts, procurement sourcing, assets management and cash and cash equivalents.

##### ▪ Land and Buildings Revaluation

As of 31 December 2024, the OECD's land and buildings are valued at €594 Million. These assets are measured at fair value and undergo revaluation process at least every three years.

The revaluations are based on market value, primarily derived from references of transactions carried out on the real estate for properties with characteristics and locations comparable to those of the appraised items.

#### ■ Provisions – Dilapidation Costs

During the 2024 financial year, OECD conducted an assessment to estimate the costs associated with restoring rented properties to their original condition, as specified in the existing lease agreements, at the commencement date of each lease.

This estimation process involves a thorough review of each leased property, along with an evaluation of the lease agreements to identify any contractual obligations regarding restoring the premises. The assessment considers factors such as wear and tear over the lease term or any modifications made during occupancy.

#### ■ Employee Benefits - Actuary Review

The OECD manages multiple retirement and post-employment plans for its staff, including the *Staff Provident Fund (SPF)*, the *Co-ordinated Organisations Pension Scheme (COPS)*, and the *New Pension Scheme (NPS)*. Of these, the SPF is a defined-contribution scheme, whereas the COPS and NPS are defined-benefit schemes. In addition to these pension schemes, the OECD provides its employees with post-employment health coverage (PEHC).

The obligations arising from these employee benefit plans are estimated in accordance with IPSAS 39 accounting standards. These estimates are provided by the International Service for Remuneration and Pensions (ISRP), to ensure compliance with relevant accounting requirements.

#### Procurement

In 2024 procurement related expenditure in the OECD amounted to €169 million, compared with a value of €150 million in 2023.

The audit team reviewed legal compliance in contracting procedures, an overview of the procurement process, solicitation methods, evaluation of offers, contract approval, and maintenance of procurement files.

Following our evaluation and discussions with the Procurement department, the EA highlighted the following:

- In general, the goods and services were acquired following the applicable procurement procedure – direct award < €30K – market consultation < €150K – Call for tenders > €150K based on the expenditure involved, namely specifically through a price inquiry, which was the primary method adopted.
- The only exception was a sampled case with an approximate value of €50K, for which the External auditors were not provided with evidence of competitive procedure – *e.g.* market consultation as determined by the OECD procurement rules. In this case, the procedures for procurement below 30.000 € were applied for a segment of the acquisition needs, and the procedures for invitations were applied for the remaining elements. However, a competitive procurement procedure should have been applied in this instance to cover all elements together.
- The adequate evaluation criteria – lowest compliant offer and best quality price ratio - were considered and there was evidence that the Procurement board reviewed the competitive procurement processes.
- Expenditures related to the sampled – procurement - purchases were settled in accordance with the orders and receipts.

Additionally, after reviewing the documentation related to one acquisition of an external assessment, through single-source awarding, the audit revealed that there was not a fully justified reason for excluding competitive tendering.

Overall, the procurement activities included in the auditor's sample align with the OECD's mission and objectives while adhering to applicable regulations.

#### EVENTS AFTER THE REPORTING DATE

Our procedures did not identify audit evidence from events that may require adjustment of, or disclosure in, the annual accounts related to events after reporting period.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on the procedures we performed, nothing has come to our attention as part of our audit of the financial statements that causes to believe that the transactions of OECD were not made, in all significant respects, in accordance with the Organisation's regulations and overall legal framework.

#### FRAUD AND COMPLIANCE

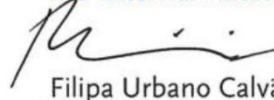
In accordance with the public auditor requirements related to the ISSAI 2240<sup>3</sup> and the ISSAI 2250<sup>4</sup>.

The EA plans its audits of the financial statements so that he has a reasonable expectation of identifying material misstatements and irregularities (including those resulting from fraud).

During the audit, the EA made enquiries of management regarding their oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risk of fraud, including any specific risks identified by management or brought to its attention.

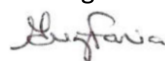
Lisbon, 20<sup>th</sup> May 2025.

The External Auditor,



Filipa Urbano Calvão

President of the Portuguese Court of Auditors



Maria da Luz Carmezim

Member of the Portuguese Court of Auditors

- Mr. Nuno Miguel Martins Lopes (Auditor-Chief).
- Mrs. Sandra Reis (Auditor).
- Mr. Joel Gustavo Silva Ribeiro (Auditor)

<sup>3</sup> The auditor's responsibilities relating to fraud in an audit of financial statements.

<sup>4</sup> Consideration of laws and regulations in an audit of financial statements.



## REPORT OF MANAGEMENT

17 April 2025

The Organisation for Economic Co-operation and Development's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the Organisation's Financial Regulations. The Management of the Organisation, in this context the three signatories below, is responsible for these statements, as well as for establishing and maintaining adequate internal financial controls.

The Organisation's system of internal financial control is designed to provide reasonable assurance regarding the reliability of financial reports and the preparation of financial statements. This system includes policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (ii) permit preparation of financial statements in accordance with IPSAS; (iii) provide reasonable assurance that receipts and expenditures are being made in accordance with relevant authorisations and in compliance with the Organisation's Financial Regulations and (iv) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of the Organisation's assets. Because of their inherent limitations, internal controls may not prevent or detect all misstatements.

The Audit Committee reviews the situation of the Organisation as well as its internal control system and its risk management system. The Committee meets regularly and, among other things, reviews reports by Management, the Director of Internal Audit and the External Auditor.

In the opinion of OECD Management, these financial statements present fairly the Organisation's financial position at 31 December 2024 and of the results of operations and cash flows for the year ended at that date.



**Mathias Cormann**  
Secretary-General



**Josée Touchette**  
Executive Director



**Ana José Varela**  
Head of  
Programme, Budget and Financial  
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## OECD Statement of Financial Position

		31 December 2024	31 December 2023
		€'000	€'000
<b>ASSETS*</b>	Notes		
<b>Current assets</b>			
Cash and cash equivalents, unrestricted	5	369 721	339 520
Cash and cash equivalents, restricted	5	62 692	57 057
Inventories	10	29	27
Accounts receivable and prepayments	6	283 933	243 129
Staff loans receivable	7	3 849	4 147
<b>Total current assets</b>		<b>720 224</b>	<b>643 880</b>
<b>Non-current assets</b>			
Accounts receivable and prepayments	6	109 866	107 555
Staff loans receivable	7	5 822	7 053
Investments and security deposits	8	1 546 302	1 340 682
Furniture, fixtures and equipment	11	24 936	24 185
Land and buildings	12	593 811	575 931
Intangible assets	13	19 236	21 797
<b>Total non-current assets</b>		<b>2 299 973</b>	<b>2 077 203</b>
<b>TOTAL ASSETS</b>		<b>3 020 197</b>	<b>2 721 083</b>
<b>LIABILITIES*</b>			
<b>Current liabilities</b>			
Borrowings	14	9 000	10 000
Payables	15	165 859	172 042
Provisions for liabilities and charges	16	232	568
Employee benefits	17	137 041	132 497
Deferred revenue	18	356 324	293 638
<b>Total current liabilities</b>		<b>668 456</b>	<b>608 745</b>
<b>Non-current liabilities</b>			
Provisions for liabilities and charges	16	10 166	-
Employee benefits	17	3 643 657	3 781 095
Deferred revenue	18	239 980	237 383
<b>Total non-current liabilities</b>		<b>3 893 803</b>	<b>4 018 478</b>
<b>TOTAL LIABILITIES</b>		<b>4 562 259</b>	<b>4 627 223</b>
<b>NET ASSETS</b>		<b>(1 542 062)</b>	<b>(1 906 141)</b>
<b>Reserves and long-term commitments</b>	19	<b>(1 670 561)</b>	<b>(1 994 212)</b>
Current year result	19	125 115	77 604
Accumulated surplus	19	3 384	10 467
<b>TOTAL NET ASSETS</b>		<b>(1 542 062)</b>	<b>(1 906 141)</b>

\* Amounts are rounded to €'000 in these Financial Statements

## OECD Statement of Financial Performance

		31 December 2024	31 December 2023
		€'000	€'000
<b>REVENUES*</b>	<b>Notes</b>		
Assessed contributions	20	344 264	329 816
Voluntary contributions	20	348 697	303 699
Pension contributions	17 & 20	137 523	131 206
Sales of publications	20	16 768	20 290
Other	20	44 055	39 501
<b>Total revenues</b>		<b>891 307</b>	<b>824 512</b>
<b>EXPENSES*</b>			
Personnel	21	511 339	477 137
Pension and post-employment benefits	17 & 21	211 311	243 689
Consulting	21	76 243	63 018
Travel	21	25 326	23 248
Operating	21	101 544	93 720
Other	21	4 011	2 212
<b>Total expenses</b>		<b>929 774</b>	<b>903 024</b>
<b>Deficit before net financial revenue</b>		<b>(38 467)</b>	<b>(78 512)</b>
Financial revenue	22	20 929	10 603
Post-Employment Reserve Fund (PERF) investment gain	22	148 084	155 303
Financial expenses	22	(5 431)	(9 790)
<b>Net financial revenue</b>		<b>163 583</b>	<b>156 116</b>
<b>SURPLUS FOR THE PERIOD</b>	<b>19 &amp; 26</b>	<b>125 115</b>	<b>77 604</b>

\* Amounts are rounded to €'000 in these Financial Statements

## OECD Statement of Changes in Cash Flows

		31 December 2024 €'000	31 December 2023 €'000
<b>Cash flow from operating activities</b>	<b>Notes</b>		
Surplus / (deficit) from ordinary activities		125 115	77 604
Depreciation, net	11,12 & 13	32 104	24 370
Loss on disposal of fixed assets	11,12 & 13	308	115
(Decrease) / increase in provisions for liabilities and charges	16	(336)	(464)
Defined-benefit programmes expense	17	108 140	143 122
(Increase) / decrease in receivables	6	(43 115)	(26 597)
(Increase) / decrease in inventories	10	(2)	-
(Increase) / decrease in investments due to revaluation - PERF	8	(152 199)	(150 327)
(Decrease) / increase in payables	15	(6 183)	(4 480)
Increase / (decrease) in deferred revenue	18	65 283	59 574
<b>Net cash flow from operating activities</b>		<b>129 115</b>	<b>122 917</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	11,12 & 13	(21 101)	(13 927)
Proceeds from sale of fixed assets	11,12 & 13	7	16
Decrease / (increase) in staff loan programme	7	1 529	3 180
Increase / (decrease) in long-term dilapidation provision	16	10 166	-
Decrease / (increase) in financial assets - Staff Provident Fund	8	1 364	147
Decrease / (increase) in financial assets - other	8	51	(10)
Net purchase of investments - PERF	8	(54 836)	(53 348)
<b>Net cash flow from investing activities</b>		<b>(62 821)</b>	<b>(63 942)</b>
<b>Cash flow from financing activities</b>			
Decrease in liabilities - Staff Provident Fund	17	(1 364)	(147)
Proceeds from borrowings	14	19 000	23 000
Repayment of borrowings	14	(20 000)	(26 000)
Credits to Member countries and others	19	(28 094)	(16 924)
<b>Net cash flow from financing activities</b>		<b>(30 458)</b>	<b>(20 071)</b>
<b>Net increase in cash and cash equivalents</b>		<b>35 836</b>	<b>38 904</b>
Cash and cash equivalents at beginning of period	5	396 577	357 673
<b>Cash and cash equivalents at end of period</b>	<b>5</b>	<b>432 413</b>	<b>396 577</b>

Cash flows from operating activities are reported using the indirect method, whereby net surplus or deficit is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

## OECD Statement of Changes in Net Assets

	Long-term commitments and associated reserves	Technical reserves	Budgetary reserves	Total reserves	Surplus / (deficit) for the period	Accumulated surplus / (deficit) (prior period)	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 31 December 2022</b>	<b>(1 656 190)</b>	<b>581 638</b>	<b>10 700</b>	<b>(1 063 852)</b>	<b>(386 120)</b>	<b>17 816</b>	<b>(1 432 156)</b>
Allocation of prior year result	(396 063)	(703)	2 972	(393 794)	385 392	8 402	-
Impact of IPSAS 41 restatement	-	-	-	-	728	-	728
Utilisation of reserves and budget surpluses added to future budgets	-	-	(1 901)	(1 901)	-	(15 199)	(17 100)
Budget surpluses to be returned to Member countries and/or associates	-	-	-	-	-	(552)	(552)
Transfers / revaluations	(534 017)	(648)	-	(534 665)	-	-	(534 665)
Surplus for the period	-	-	-	-	77 604	-	77 604
<b>Subtotal</b>	<b>(930 080)</b>	<b>(1 351)</b>	<b>1 071</b>	<b>(930 360)</b>	<b>463 724</b>	<b>(7 349)</b>	<b>(473 985)</b>
<b>Balance at 31 December 2023</b>	<b>(2 586 270)</b>	<b>580 287</b>	<b>11 771</b>	<b>(1 994 212)</b>	<b>77 604</b>	<b>10 467</b>	<b>(1 906 141)</b>
Allocation of prior year result	55 840	(193)	3 268	58 915	(77 604)	18 690	-
Utilisation of reserves and budget surpluses added to future budgets	-	-	(2 321)	(2 321)	-	(16 418)	(18 739)
Budget surpluses to be returned to Member countries and/or associates	-	-	-	-	-	(9 355)	(9 355)
Transfers / revaluations	239 083	27 974	-	267 057	-	-	267 057
Surplus for the period	-	-	-	-	125 115	-	125 115
<b>Subtotal</b>	<b>294 923</b>	<b>27 782</b>	<b>946</b>	<b>323 651</b>	<b>47 511</b>	<b>(7 083)</b>	<b>364 079</b>
<b>Balance at 31 December 2024</b>	<b>(2 291 348)</b>	<b>608 070</b>	<b>12 717</b>	<b>(1 670 561)</b>	<b>125 115</b>	<b>3 384</b>	<b>(1 542 062)</b>

'Long-term commitments and associated reserves' includes the commitments for pension benefits and post-employment health cover and their reserves, as detailed in Note 19.

'Technical reserves' include a reserve for fixed assets comprising Member countries' contributions for land and buildings and subsequent revaluations. Any surplus on the revaluation of property is credited directly to net assets, except if it reverses a revaluation decrease of the same asset class previously recognised as an expense in the Statement of Financial Performance (*cf. Note 12*).

'Budgetary reserves' includes a number of Part I, Part II and other reserves as detailed in Note 19.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1: General information

The Organisation for Economic Co-operation and Development (OECD or the “Organisation”) was founded in 1961, replacing the Organisation for European Economic Co-operation, which had been established in 1948 in conjunction with the Marshall Plan. The Organisation groups 38 Member countries committed to democratic government and the market economy, and provides a forum where governments can compare and exchange policy experiences, identify good practices and promote decisions and recommendations, in line with the mission and role set forth in the Organisation’s Convention:

- Achieve the highest sustainable growth and a rising standard of living in Member countries, while maintaining financial stability;
- Contribute to sound economic expansion, in Member as well as non-Member countries in the process of economic development; and
- Contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

The Organisation is governed by a Council composed of representatives of all the Member countries. The Council appoints a Secretary-General for a term of five years.

The 38 Members of the Organisation are Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, United Kingdom and the United States.

Accession to the OECD Convention remains the most effective way to secure countries’ comprehensive commitment to OECD standards and to fulfil the Organisation’s mission. On 25 January 2022, the Council decided to open accession discussions with six candidate countries for OECD membership – Argentina, Brazil,

Bulgaria, Croatia, Peru, and Romania. The Council also decided to open accession discussions with Indonesia on 20 February 2024 and with Thailand on 17 June 2024. Accession Roadmaps for Brazil, Bulgaria, Croatia, Peru, and Romania were adopted by Council on 10 June 2022, for Argentina on 26 March 2024, for Indonesia on 29 March 2024, and for Thailand on 10 July 2024.

The Organisation enjoys privileges and immunities, notably that of being exempt from most forms of taxation.

#### *Financing of the Organisation*

The Organisation operates within the framework of the Programme of Work and Budget (PWB). The PWB is approved by Council and its outputs are funded by assessed contributions from its Member countries and voluntary contributions. Notwithstanding that voluntary contributions are included in the PWB, they do not form part of the Budget.

Council accords the necessary commitment authorisations and makes the necessary appropriations for the functioning of the Organisation and the carrying out of its activities.

Part I of the Budget: All the Organisation’s Member countries assessed contributions fund the Budget for the Part I Programme of Work, accounting for approximately half of total Part I resources in 2024. Their contributions are based on both a) a proportion that is shared equally and b) a scale proportional to the relative size of their economies.

Part II of the Budget: This funds programmes relating to sectors of activity not covered by Part I. Participating countries may include some or all OECD Members as well as other Members that are not Members of the OECD. Part II Programmes are funded according to a scale of contributions or other financing arrangements agreed among the participating countries.

Annex Budgets are established for certain specific activities such as Pensions, Investments and Publications.

The pre-accession budget relates to non-recurring costs associated with accession that are borne by the candidate countries.

Note 24: Organisation's *Resources and Appropriations*) gives further details of the income and expenditure of the Budget and actual results for 2024. The approval of the Budget by Council empowers the Secretary-General, subject to any special conditions established by Council, to:

- commit and authorise expenditures and to make all payments to be borne by the Organisation, for the purposes assigned and within the limits of the appropriations and the commitment authority, as the case may be; and
- receive the income entered in the Budget, together with any other resources accruing to the Organisation in respect of its activities.

#### *Location*

The Organisation is based in Paris, France. All OECD Directorates and Programmes, with the exception of the International Energy Agency, are located at OECD Headquarters (La Muette) or OECD Boulogne. In addition, the Organisation has a limited number of regional centres around the world, including centres in Washington (DC), Mexico City, Berlin and Tokyo, which serve different purposes including as regional contacts for OECD activities, contributing to the visibility, dissemination and impact of the work of the Organisation (*c.f.* "Note 28: Contributions-in-kind").

#### *Stakeholders*

In addition to our Member countries, over 100 partners and international organisations participate in the Organisation's Programme of Work. Partners may participate in OECD Part I Bodies or Part II Programmes to varying degrees based on mutual interest. Council decision [C\(2012\)100/REV2/FINAL](#) provides simplified rules on engagement with partners. The Organisation works closely with some of the world's largest economies: Brazil, China, India, Indonesia, and South Africa, who are OECD Key Partners.

The Organisation also maintains active relationships with business, labour, civil society and parliamentarians. These stakeholders benefit

from and make valuable contributions to the work of the OECD.

#### **Note 2: Adoption of new and revised standards**

In 2024 no new standards were adopted.

The Organisation adopted IPSAS 41 *Financial Instruments* in 2023.

#### **Note 3: Significant accounting policies**

##### ***Basis of accounting***

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB), based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

When the IPSASB does not prescribe any specific standard, IFRSs and IASs are applied.

The financial statements have been prepared on a going-concern basis, and accounting policies have been applied consistently throughout the period.

The principal accounting policies adopted are set out below.

##### ***Foreign currencies***

All assessed contributions are payable in euros. Voluntary contributions are accepted in euros and other currencies. Assets and liabilities denominated in foreign currencies are translated into euros at the exchange rates prevailing on the reporting date of the Statement of Financial Position.

Foreign-currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Both realised and unrealised gains and losses resulting from the settlement of such transactions, and from the retranslation at the reporting date of assets and liabilities denominated in foreign currencies, are recognised in the Statement of Financial Performance.

### ***Intangible assets***

Intangible assets are identifiable non-monetary assets without physical substance. The Organisation capitalises software that is purchased or developed. Generally, costs associated with maintaining software are recognised as expenses when incurred. However, expenditures that enhance or extend the performance of software beyond their original specifications may be recognised as capital improvements and added to the original cost of the software.

Capitalised software with finite useful lives are amortised using the straight-line method over a period of three to ten years.

### ***Tangible assets***

Land and buildings are measured in the Statement of Financial Position at their revalued amounts, *i.e.* at their fair value at the date of revaluation, adjusted for any subsequent additions, accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity – generally every two to three years – so that carrying amounts do not differ materially from those that would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of land and buildings is credited to the fixed assets revaluation reserve, except if it reverses a revaluation decrease for the same asset class previously recognised as an expense, in which case the increase is credited to the Statement of Financial Performance to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the fixed assets revaluation reserve relating to a previous revaluation of that asset class.

In 2024 the Organisation conducted the revaluation of its land and buildings in accordance with its accounting policy. The revaluation was provided by an external independent expert at 31 December 2024. The revaluation reserve for the land was increased and the revaluation reserve for buildings was decreased with no impact on accumulated surplus/(deficit). This is further detailed in “*Note 12: Land and buildings*”.

Depreciation on buildings is recognised in the Statement of Financial Performance. Due to the significantly different useful lives of the individual categories of property, the costs have been allocated to separate components: structure of buildings, roofing and windows, fixtures and fittings, which are also broken down into sub-components that are depreciated over different periods as shown below. The useful lives of all components of buildings are reviewed periodically, and if they change significantly, depreciation charges to current and future periods are adjusted accordingly.

Freehold land is not depreciated.

Furniture, fixtures and equipment are measured at cost, less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to allocate the depreciable amount (cost or fair value) of assets, other than land and buildings under construction/renovation, over their estimated useful lives, using the straight-line method on the following basis:

- Structure of buildings: 50 years
- Roofing and windows: 15 - 50 years
- Fixtures and fittings: 5 - 30 years
- Other fixed assets: 2 - 10 years

The gain or loss arising on the disposal or withdrawal from use of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

### ***Works of art***

Works of art purchased or donated to the Organisation are not capitalised, as permitted by IPSAS 17 “Property, Plant and Equipment”. However, their estimated aggregate value, including some works on loan, is disclosed in the note (*cf.* “*Note 11: Furniture, fixtures and equipment*”).

### ***Impairment of tangible and intangible assets***

The carrying amounts of fixed assets are reviewed for impairment if events or changes in circumstances indicate that they may exceed their recoverable service amounts. If any such indication exists, the recoverable service amounts of the assets are estimated in order to determine the extent of the impairment loss (if any). Any

provision for impairment is charged against the Statement of Financial Performance in the year concerned.

### ***Leases***

#### ***Operating leases***

Operating lease rentals are recognised as an expense on a straight-line basis over the term of the relevant lease, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less any costs to be incurred in their distribution.

### ***Financial instruments***

Financial instruments represent the contractual rights or obligations to receive or pay cash or other financial assets.

#### ***Classification and measurement***

In accordance with IPSAS 41 “Financial Instruments”, financial assets and liabilities are classified in the Statement of Financial Position under three categories:

- amortised cost;
- fair value through surplus or deficit; and
- fair value through net assets / equity.

#### ***Financial assets***

The Organisation classifies its financial assets on the basis of both:

- its management model for financial assets; and
- the contractual cash flow characteristics of the financial asset.

An entity’s management model refers to how an entity manages its financial assets to generate cash flows, whether from collecting contractual cash flows, selling financial assets or both.

Financial assets are measured at amortised cost when both of the following conditions are met:

- the financial assets are held within a management model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are measured at fair value through net assets / equity when both of the following conditions are met:

- the financial assets are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and sell financial assets; and
- the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding.

In all other cases financial assets are measured at fair value through surplus or deficit.

The Organisation has classified its financial assets as measured at amortised cost except investment assets which are measured at fair value through surplus or deficit.

#### ***Financial liabilities***

The Organisation classifies all financial liabilities as measured at amortised cost. The exceptions authorised by IPSAS 41, including financial liabilities designated at fair value through surplus or deficit to avoid measurement inconsistencies or to have consistent measurement with related financial assets that are evaluated on a fair value basis, do not apply to the Organisation.

#### ***Expected credit losses (ECLs) and impairment***

In accordance with IPSAS 41, the Organisation recognises a loss allowance for expected credit losses on its financial assets that are measured at amortised cost or at fair value through net assets / equity.

The general, three-stage approach to determine ECLs under IPSAS 41 is to:

- recognise a 12-month ECL at inception of the financial asset, being the projected loss arising from default over the coming 12 months; and
- should the assessed credit risk of the financial asset deteriorate such that it is considered under-performing or non-performing, lifetime ECLs are recognised.

In accordance with IPSAS 41 the Organisation has adopted the simplified approach to receivables that are recognised from exchange transactions within the scope of IPSAS 9 or non-exchange transactions within the scope of IPSAS 23. Consequently, the Organisation recognises lifetime ECLs at the time of the initial recognition of the receivables.

### **Financial risks**

The Organisation has developed risk-management strategies in accordance with its Financial Regulations. The Organisation is exposed to a variety of financial risks, including market risk, liquidity risk and credit risk.

Financial risks arising from financial instruments are described further in “*Note 9: Risks arising from financial instruments*”.

### **Provisions**

Provisions are constituted when the Organisation has a present obligation arising from a past event, for which it will probably have to bear the cost. Provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the date of the Statement of Financial Position.

In 2024 the Organisation recognised a provision for dilapidation costs for leasehold buildings.

### **Employee benefits**

#### *Defined-contribution scheme*

The Staff Provident Fund is a defined-contribution retirement savings plan which has been closed to new entrants since 1974, when participants were given the choice of remaining in the Fund or transferring to the Organisation’s new defined-benefit Pension Scheme (*cf. “Note 17: Employee benefits”*). In 2006, administration of the Provident Fund was transferred to the International Service for Remunerations and Pensions (ISRP). In accordance with the Fund’s

rules, it constitutes a segregated entity managed by the Secretary-General on behalf of affiliated retirees. The Fund collected contributions from affiliated employees at a rate of 7%, and from the Organisation at 14%, of salaries, manages its assets and pays participants’ account withdrawals. Since the end of 2016 there have been no serving staff, and no further contributions made to the Fund.

The Fund is included in the accounts of the Organisation, and the Fund’s assets and liabilities are included in the Statement of Financial Position. Revenues and expenses are not reported in the Statement of Financial Performance since they accrue to the participants.

#### *Defined-benefit schemes*

The Organisation operates a number of defined-benefit plans, including pension schemes, post-employment health cover and long-service benefits (end-of-service allowances for a closed group of employees).

There are currently two defined-benefit pension schemes in force at the OECD: the Co-ordinated Organisations Pension Scheme (COPS), launched in 1974 to replace the Staff Provident Fund; and the New Pension Scheme (NPS), launched in 2002.

All OECD employees and pensioners belong to these two schemes.

In 2001, the Organisation decided to close the COPS to new entrants recruited as from 1 January 2002 and adopted the NPS for those new entrants. Officials affiliated to the COPS pay a 33% share of total contributions and the minimum age for retirement on a penalty-free pension is 60. For the NPS, officials affiliated pay a 40% share of total contributions.

In 2024, Council approved plan amendments for the New Pension Scheme (pensionable age, minimum age for early retirement with pension and contribution rates). Since 1 July 2024, the minimum age for retirement on a penalty-free pension ranges from 63 to 66 depending on age and length of service at 1 July 2024.

For all officials, as of 1 July 2024 the age at which they must leave the service of the Organisation also increased from 65 to 67, with transitional

measures for those who had reached age 63 by that date.

The rates of contribution to the COPS and NPS are reviewed by means of an actuarial study carried out every five years. *Table 1* below sets out the staff and employer's contribution rates by pension scheme for the periods 2020–2024 and from 1 January 2025.

**Table 1. Pension Scheme Contribution Rates**

	2020-2024	2025-2029
<b>Staff Contribution</b>		
COPS	11.8%	12.5%
NPS*	11.8%	13.2%
<b>Employer's Contribution</b>		
COPS	23.6%	25.0%
NPS*	17.7%	19.9%

\* The NPS contribution rate for the period 1 July 2024 – 31 December 2024 was 11.4% for staff and 17.2% for the employer rate.

The Council has decided to close the New Pension Scheme (NPS) to new entrants from 30 June 2025. Officials recruited from 1 July 2025 will be affiliated to a new defined benefit pension scheme, the Third Pension Scheme (TPS).

The ISRP administers the pension schemes of the six Co-ordinated Organisations, including the OECD. In its capacity as the Organisation's actuary, it performs valuations of defined-benefit obligations and related expenses, which are recognised annually.

The latest actuarial valuations for the purposes of financial reporting, as at 31 December 2024, were carried out using the Projected Unit Credit Method, which attributes an additional unit of benefit entitlement for each period of service. Each unit is measured separately until the final obligation is constituted.

The Organisation's employee benefit obligations are partially funded by assets held separately and recognised in the Organisation's Statement of Financial Position. The assets of the Pension Budget and Reserve Fund (PBRF) and those of the Staff Provident Fund are distinct from all other assets of the Organisation. Both Funds' assets may be used solely to pay out benefits and finance the Funds' expenses.

The Organisation adopted IPSAS 39 "Employee Benefits" in the Financial Statements for 2017. In accordance with IPSAS 39, actuarial gains or losses are recognised in the period in which they occur directly in net assets/equity. The Organisation's measurement of post-employment health cover liabilities reflects the obligation of employees and former employees to cover one-third of health cover costs, as set out in the Organisation's Staff Rules.

#### **Revenue recognition**

Revenue from assessed contributions for Part I, Part II, and Annex Budgets is recorded and recognised when these resources are approved. Assessed contributions are considered non-exchange transactions.

Voluntary contributions are subject to conditions related to performance, namely the implementation of the Programme of Work. Except for voluntary contributions whose transfer is subject to governmental approval, a receivable and a liability (deferred revenue) are recognised upon acceptance of the voluntary contribution by the Organisation following the negotiation and signature of a binding agreement. Revenue is recognised and the liability reduced to the extent that performance obligations are met.

Voluntary contributions are considered non-exchange transactions.

Revenue from subscriptions is recognised on a straight-line basis over the period of the subscription. Revenue from non-subscription sales of access to online publications, OECD statistics and electronic data (excluding free data) is recognised upon granting of access to the content, while revenue from non-subscription sales of printed publications is recognised upon shipment. Since 1 July 2024, the Organisation ceased subscription and publication sales and has adopted an "Open by Default" dissemination model, except for publications published by the International Energy Agency (IEA) which continue to be sold.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Other revenue includes pre-accession country contributions, services invoiced to permanent delegations, and reimbursements of costs of staff

on loan. Other revenue is recognised in the period to which it relates or when acquired contractually and invoiced. Other revenue, such as non-Member partnership fees and conference/workshop participation fees, is recognised upon receipt.

The Organisation's contribution (and related expenses) to the International Service for Remuneration and Pensions (ISRP) is eliminated to avoid duplication of revenue as this is an internal transfer of funds between the Part I and Part II budgets.

#### ***Contributions-in-kind***

The OECD receives contributions-in-kind primarily in the form of office space and staff-on-loan. The main components are disclosed in "Note 28: Contributions-in-kind".

#### **Note 4: Accounting judgements and estimates**

In the application of the Organisation's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Estimates include but are not limited to the fair value of land and buildings, defined-benefit pension and other post-employment benefit obligations, amounts for litigations, dilapidation costs, financial risk on inventories and accounts receivables, accrued charges, contingent assets and liabilities, and the degree of impairment of fixed assets.

#### **Note 5: Cash and cash equivalents**

**Table 2. Cash and cash equivalents**

	2024 €'000	2023 €'000
<b>Unrestricted</b>		
Bank deposits & cash equivalents - Euros	358 321	328 120
Bank deposits & cash equivalents - Other currencies	11 400	11 400
<b>Total unrestricted cash</b>	<b>369 721</b>	<b>339 520</b>
<b>Restricted</b>		
Bank deposits & cash equivalents - PBRF	26 148	22 649
Bank deposits & cash equivalents - Other	36 544	34 408
<b>Total restricted cash</b>	<b>62 692</b>	<b>57 057</b>
<b>Total cash and cash equivalents</b>	<b>432 413</b>	<b>396 577</b>

#### *Unrestricted cash*

General treasury is composed of all cash and cash equivalents owned by the OECD, which are not restricted to a specific purpose. Unrestricted cash and cash equivalents, which constitute the Organisation's general treasury funds, are held in interest-bearing and non-interest-bearing bank accounts, money-market accounts, bank savings accounts and in an insurance contract.

As of 31 December 2024, the general treasury balance totalled M€ 369.7, versus M€ 339.5 at year-end 2023. Net cash positions were positive throughout the year. The increase in the general treasury balance is mainly attributable to the increase in payments of voluntary contributions in 2024 (M€ 387 accepted in 2024 compared to M€ 373 accepted in 2023).

#### *Restricted cash*

Restricted cash and cash equivalents (M€ 62.7 at 31 December 2024) are deposits earmarked for specific purposes and appropriated to reserves or administered on behalf of third parties. Restricted cash, whether managed in separate bank accounts or not, is not part of the general treasury.

Restricted cash includes:

- the cash component of funds dedicated to post-employment benefits (PBRF and PEHLR); and

- amounts dedicated to specific purposes or administered on behalf of third parties, though managed through the same bank accounts as the general treasury, including: the Capital Investment Budget and Reserve Fund (CIBRF); NEA joint undertaking project funds; advances received from Member countries for specific schemes, and the Staff Association's Fund.

a) PBRF

PBRF assets, including cash deposits, are restricted to the payment of pension benefits and Fund administration expenses as defined by the Fund's Statutes. As at 31 December 2024, these cash holdings and bank deposits, excluding those held as part of the PERF long-term investment portfolio, accounted for M€ 26.1 or 1.7% of the PBRF's total assets (2023: 1.7%). At 31 December, these corresponded to the estimated amount of cash and cash equivalents that, along with contributions receipts, are needed for benefit disbursements.

Cash and cash equivalents held as part of the PERF are reported in "Note 8: Investments and security deposits".

b) Other

Restricted cash and cash equivalents, excluding those of the PBRF, total M€ 36.5 at 31 December 2024, and include funds allocated to the CIBRF (M€ 17.5), the PEHLR (M€ 4), the OECD Staff Association's funds (M€ 1.6) and NEA joint undertaking project funds (M€ 9.6).

*Credit facilities*

The Organisation has no confirmed credit lines but does maintain limited and informal borrowing arrangements with its banks. These arrangements are non-contractual. No borrowing was done on overdraft facilities in 2024 or in 2023.

## Note 6: Accounts receivable and prepayments

**Table 3. Accounts receivable and prepayments**

	2024 €'000	2023 €'000
<b>Current - accounts receivable and prepayments</b>		
ACs - Member countries	60 464	66 345
ACs - Member countries fiscal adjustment	723	19
ACs - non-Member countries & IOs participating in Part II Programmes	4 132	4 591
Voluntary contributions	169 778	141 983
Prepayments	6 102	3 732
Other receivables	42 716	26 447
Publications	18	12
<b>Total current - accounts receivable and prepayments</b>	<b>283 933</b>	<b>243 129</b>
<b>Non-current accounts receivable</b>		
Voluntary contributions	109 866	107 555
<b>Total non-current - accounts receivable and prepayments</b>	<b>109 866</b>	<b>107 555</b>
<b>Total accounts receivable and prepayments</b>	<b>393 799</b>	<b>350 684</b>

Assessed contributions receivable from Member countries at year-end 2024 have decreased by M€ 5.2 compared to end December 2023.

Outstanding assessed contributions of non-Members, including international organisations, decreased compared to 2023.

Total voluntary contributions receivable (current and non-current) has increased by M€ 30.1 from year-end 2023 to year-end 2024. This reflects the overall value and timing of voluntary contributions accepted in 2024 and the payment terms of multi-year voluntary contributions, noting that more voluntary contributions were accepted in 2024 compared to 2023 (see commentary in Note 5 above). Non-current voluntary contributions are due more than 12 months after the period end date in accordance with the terms of the agreements and are stated at

amortised cost. At 31 December 2024, an additional M€ 33.7 (2023: M€ 34.3) of voluntary contribution acceptances were not recognised as receivables as they were subject to governmental approval (cf. “*Note 27: Contingencies and capital commitments*”).

Since 2013 (cf. “*Note 3: Significant accounting policies*”), non-current receivables have been carried at amortised cost and this approach remains unchanged with the implementation of IPSAS 41 “Financial Instruments” in 2023. This has resulted in a reduction in reported non-current receivables of k€ 7 125 at 31 December 2024, compared to a reduction of k€ 5 159 in 2023 giving rise to a net financial expense of k€ 1 966 (cf. “*Note 22: Financial revenue and expenses*”).

Other receivables consist mainly of:

- M€ 10.0 in reimbursable taxes (2023: M€ 13.2);
- M€ 23.8 from pre-accession countries (2023: M€ 6.0); and
- receivables from Member countries for various services rendered, including office rental and staff costs.

#### *Expected credit losses (ECLs) and impairment*

In accordance with IPSAS 41 “Financial Instruments” the Organisation has implemented a model to measure expected credit losses for receivables that have a material value, specifically assessed contributions and voluntary contributions receivable, when they are initially recognised. Using the simplified approach of lifetime ECLs as permitted by IPSAS 41, the model incorporates three components for determining ECLs:

- Step 1. Data of historical collections by Members, participants and donors by OECD programme to determine the probability of default, defined by the Organisation as non-recoverability within 6 months of the due date, and historically observed recoverability rates;
- Step 2. Forward looking measures, comprising credit default swaps or, if unavailable, publicly available credit ratings to adjust the results based on the historical data at step 1; and

- Step 3. Management review of receivables that have either a material carrying value or a material ECL based on steps 1 and 2.

The impairment recognised by category of receivable is shown in the table below.

**Table 4. Expected Credit Losses by Class of Receivable (IPSAS 41)**

Financial Asset Classification	31 December 2024			31 December 2023		
	Carrying Value €'000	ECL €'000	Net value €'000	Carrying Value €'000	ECL €'000	Net value €'000
<b>Assessed contributions (ACs) receivable</b>						
Member countries	60 464	-	60 464	66 345	-	66 345
Member countries – fiscal adjustment	723	-	723	19	-	19
<i>Subtotal Member countries</i>	61 187	-	61 187	66 364	-	66 364
Non-Member countries	6 330	(2 799)	3 530	6 240	(1 878)	4 362
International organisation (IOs)	602	(1)	602	230	(1)	229
<i>Subtotal Non-Members /IO</i>	6 932	(2 800)	4 132	6 470	(1 879)	4 591
Non-Member countries - accession (included in “Other receivables”)	23 789	-	23 789	6 037	-	6 037
<b>Total ACs</b>	<b>91 908</b>	<b>(2 800)</b>	<b>89 108</b>	<b>78 871</b>	<b>(1 879)</b>	<b>76 992</b>
<b>Voluntary contributions (VCs) receivable</b>						
Invoiced (current)	40 234	(1 966)	38 268	40 496	(1 052)	39 444
Accepted and not invoiced (current)	131 706	(180)	131 526	102 709	(170)	102 539
<i>Total current VCs</i>	171 940	(2 146)	169 794	143 205	(1 222)	141 983
Accepted and not invoiced (non-current)	109 866	(16)	109 850	107 562	(7)	107 555
<b>Total VCs</b>	<b>281 806</b>	<b>(2 162)</b>	<b>279 644</b>	<b>250 767</b>	<b>(1 229)</b>	<b>249 538</b>

**Note 7: Staff loans receivable****Table 5. Staff loans receivable**

	2024 €'000	2023 €'000
Current	3 849	4 147
Non-current	5 822	7 053
<b>Total staff loans receivable</b>	<b>9 671</b>	<b>11 200</b>

The Organisation operates a staff loan programme through which staff can obtain loans subject to defined limits. Loans to staff are financed by short-term bank borrowing of M€ 9.0 at 31 December 2024 (2023: M€ 10.0), (*cf.* “*Note 14: Borrowings*”). The interest rate charged on staff loans is adjusted semi-annually, based on market rates, plus a margin for loan administration costs. Collections are assured through payroll withholding and staff severance payments.

Loans outstanding on 31 December 2024 are classified as either current assets, for repayments due within one year, or as non-current assets, for amounts due in more than one year. Staff loans receivable are measured at amortised cost.

**Note 8: Investments and security deposits****Table 6. Investments and security deposits**

	2024 €'000	2023 €'000
Deposits on office leases	322	373
Staff Provident Fund	10 405	11 769
Post-Employment Reserve Fund (PERF)	1 535 575	1 328 540
<b>Total non-current investments and security deposits</b>	<b>1 546 302</b>	<b>1 340 682</b>

*Deposits*

Deposits on office leases are guarantee deposits made by the Organisation with its banks as collateral related to the fulfilment of the Organisation’s obligations under operating lease agreements. Since the relocation to OECD Boulogne in 2015-16, the leased estate occupied by the Organisation has remained largely unchanged.

*Staff Provident Fund*

Changes in the Staff Provident Fund investments during the period were as follows:

**Table 7. Changes in Staff Provident Fund**

	Capitalisation contract €'000	Cash in portfolio €'000	Total €'000
<b>Opening balance</b>	11 574	195	11 769
Additions	256	180	436
Disposals	(1 800)	-	(1 800)
<b>2023 Closing balance</b>	<b>10 030</b>	<b>375</b>	<b>10 405</b>

Disposals were affected to fund participants’ withdrawal requests and payments to the estates of deceased participants.

*Post-Employment Reserve Fund (PERF)*

In 2000, the Organisation created the Pension Budget and Reserve Fund (PBRF) to “smooth out Member countries’ contributions over time, provide financial stability to the Organisation’s Programme of Work, introduce investment income as a complement to staff and Member country contributions, and, with regard to future service, meet the concerns which have arisen about the distribution of the financial burden of pensions related to past service” [C(2000)48/REV4, p. 4]. In 2005, Council carried out a comprehensive review of the Fund and agreed to continue a long-term financing plan in order to increase progressively the percentage of pension liabilities which are funded (*cf.* “*Note 27: Contingencies and capital commitments*”, section C: *Pensions*).

In December 2011, the Council approved the creation of a Post-Employment Healthcare Liability Reserve (PEHLR) dedicated to meet post-employment healthcare costs [C(2011)174/FINAL].

Funds allocated to the PEHLR amounted to M€ 194.4 at 31 December 2024 (2023: M€ 161.4). The increase in 2024 can be explained by positive investment returns in 2024 (*cf.* “*Note 22: Financial revenue and expenses*”) combined with larger savings from the reduction in expatriate allowance (for staff hired since 2012) transferred to the PEHLR, and the renegotiation and renewal of the insurance contract with its insurer in 2020 on favourable terms.

As from 1 January 2014, the long-term assets of the Post-Employment Healthcare Liability Reserve (PEHLR) were transferred into the PBRF long-term investment portfolio and the existing pension investment governance has been applied to PEHLR long-term assets. The PBRF Management Board is responsible for the investment of the PEHLR long-term assets

together with those of the PBRF [C(2013)104]. The combined investment portfolio is referred to as the Post-Employment Reserve Fund (PERF).

Changes in the PERF long-term investment portfolio during the period are shown in *Table 8* below.

**Table 8. Investments – PERF**

Financial Asset Class	Fair Value Hierarchy	2023 €'000	Additions €'000	Disposals €'000	2024 before Revaluation €'000	Gains / (losses) and/or foreign currency translation €'000	2024 €'000	% of Portfolio
<b>Cash and cash equivalents</b>		<b>354</b>	<b>547 461</b>	<b>(547 665)</b>	<b>150</b>	<b>-</b>	<b>151</b>	<b>0.0%</b>
Cash and cash equivalents	N/A	354	547 461	(547 665)	150	-	151	0.0%
<b>Fixed income</b>		<b>256 183</b>	<b>190 162</b>	<b>(154 615)</b>	<b>291 730</b>	<b>3 747</b>	<b>295 477</b>	<b>19.2%</b>
Global government bonds (H)	Level 1	118 285	17 816	(12 361)	123 740	185	123 925	8.1%
Global corporate bonds (H)	Level 2	93 406	94	-	93 500	1 760	95 259	6.2%
Emerging markets sovereign bonds (HC)	Level 2	44 492	172 252	(142 254)	74 491	1 802	76 293	5.0%
<b>Equity</b>		<b>765 627</b>	<b>78 503</b>	<b>(141 199)</b>	<b>702 931</b>	<b>134 477</b>	<b>837 408</b>	<b>54.5%</b>
Euro area equity	Level 1	200 194	73 346	(78 578)	194 962	21 571	216 533	14.1%
Global equity (H)	Level 1	218 700		(30 291)	188 408	43 129	231 538	15.1%
Global equity (UH)	Level 1	219 315	107	(32 330)	187 091	56 202	243 293	15.8%
Emerging markets equity (H)	Level 1	63 782	2 757	-	66 539	4 043	70 582	4.6%
Emerging markets equity (UH)	Level 1	63 637	2 293	-	65 930	9 533	75 463	4.9%
<b>Alternative investments</b>		<b>306 375</b>	<b>82 189</b>		<b>388 564</b>	<b>13 975</b>	<b>402 539</b>	<b>26.2%</b>
Euro area listed real estate	Level 1	76 183	-	-	76 183	(1 462)	74 721	4.9%
Global direct real estate	Level 3	57 500	15 260	-	72 760	(145)	72 615	4.7%
Infrastructure	Level 3	167 615	60 000	-	227 615	15 228	242 842	15.8%
European private equity	Level 3	5 078	6 929	-	12 007	354	12 362	0.8%
<b>Total</b>		<b>1 328 540</b>	<b>898 315</b>	<b>(843 479)</b>	<b>1 383 376</b>	<b>152 199</b>	<b>1 535 575</b>	<b>100.0%</b>

(H) Euro hedged  
(UH) Unhedged  
(HC) Hard currency

With the exception of cash and cash equivalents which are measured at amortised cost, all financial assets shown in *Table 8* above are measured at fair

value through surplus or deficit in accordance with IPSAS 41. The financial assets are held within the PERF for the objective of meeting the

Organisation's pensions and post-employment healthcare obligations over the long run. Under this management model the collection of contractual cash flows from each of the financial assets that comprise the portfolio is merely incidental to the overall purpose of long-term financial sustainability. The measurement basis of these financial assets remains at fair value through surplus and deficit.

In addition to the investments disclosed in the table above, management fees totalling k€ 121 are payable to external asset managers at 31 December 2024 (2023: payable of k€ 179). These are recognised as part of other payables (cf. "Note 15: Payables"). As at 31 December 2024, of the total investment portfolio of M€ 1 536 (excluding management fees payable), the share of the PEHLR is M€ 195 (12.7%) and the share of the PBRF is M€ 1 341 (87.3%).

The Pension Budget and Reserve Fund is restricted to paying staff pension benefits and is managed according to its statutes. The Fund's assigned investment objectives recognise the long-term nature and the type of liabilities under the OECD pension schemes. The Fund invests in equities, fixed-income securities, real estate (listed and direct), infrastructure and private equity. In 2024, portfolio investments were diversified by adding a new infrastructure fund and another euro area equity fund as well as an emerging markets hard currency bond fund. The investment of new contributions, together with movements across fixed income and equity asset classes, supported the implementation of the new Strategic Asset Allocation (SAA) designated for the Fund.

The Pension Budget and Reserve Fund's long-term strategic objective is to maximise total return, subject to controls over credit and liquidity risk and limited volatility. The Third Five-Year Review of the PBRF was conducted in 2021 and, upon presentation to the Budget Committee on 15 March 2022, a new investment strategy was approved and has been implemented.

The long-term investments of the PERF are at fair value through surplus or deficit in accordance with IPSAS 41 except for cash and cash equivalents which are measured at amortised cost. Consequently, unrealised gains and losses on investments are recognised in the Statement of Financial Performance.

The Staff Provident Fund and the PERF are exposed to the financial risks of changes in foreign currency exchange rates, interest rates and securities market prices (cf. "Note 9: Risks arising from financial instruments"). Securities held by both funds are denominated mainly in euros except for the infrastructure investment, which is denominated in US dollars. To cover the specific short-term liability for current-year pension benefit payments, a portion of the PBRF's assets is held in bank deposits (savings accounts) (cf. "Note 5: Cash and cash equivalents").

#### *Fair value hierarchy / measurement*

At the end of each reporting period, a valuation of the investments held by the PERF is performed. Fair value is based on the exit price (the price that would be received to sell a financial asset in the case of investments).

For financial reporting purposes, a fair value hierarchy applies. Fair value measurements can be categorised into Level 1, 2 or 3 based on the degree to which the inputs to the measurements are observable and their significance to the overall fair value:

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

Most financial instruments held within the PERF are mutual funds with daily quoted prices in active markets which are classified as Level 1 (or level 2 for global corporate bonds). These investments comprise bonds, equities and listed real estate. The fair value of these instruments is based on the quoted market prices at the close of trade on the reporting date.

Level 3 applies to all alternative investments (except for listed real estate):

- Global direct real estate. The net asset values are published monthly but the underlying assets are appraised quarterly. The funds are

not quoted in active markets and may be subject to restrictions on redemption. The underlying assets include unlisted property the value of which is assessed by independent property appraisers.

- Infrastructure. Underlying infrastructure assets are appraised by internationally recognised experts not involved in the management of the related funds and are reported quarterly. Unobservable inputs include cash flow forecasts and discount rates.
- European private equity. The funds are not publicly quoted / listed and asset valuations are provided by fund administrators.

### Note 9: Risks arising from financial instruments

The Organisation is exposed to various risks arising from financial instruments, most notably market risk and credit risk as described below. The most significant sources of risk are the Post Employment Reserve Fund (PERF) (*cf. "Note 8: Investments and security deposits"*), cash and cash equivalents (*cf. "Note 5: Cash and cash equivalents"*) and voluntary contributions receivable (*cf. "Note 6: Accounts receivable and prepayments"*).

The Organisation has developed risk-management strategies in accordance with its Financial Regulations to mitigate these risks. The PBRF Management Board is responsible for the cash and cash equivalents of the PBRF, and for the investment of the PBRF and PEHLR long term assets, which are held and invested together in the PERF. The Management Board sets the treasury guidelines and the strategic asset allocation (SAA) of the PERF in accordance with its risk management strategy, all of which are approved and monitored regularly by the Budget Committee.

The SAA is designed to maximise total returns over the long term. Consequently, to achieve these objectives, the investments held within the PERF portfolio have a range of risk ratings from non-existent to very high. The Management Board can undertake measures to reduce or keep risks of the PERF at a reasonable level in two instances: (i) when designing the investment strategy or SAA; and (ii) when revising the investment

guidelines for the long-term investments and the treasury placements. Risks are monitored:

- during quarterly meetings (when the most relevant risk measures are presented and analysed in the performance reports);
- annually when the treasury management plan, for short-term liquidity risk and treasury management, is reviewed; and
- regularly through specific risk management reviews.

#### a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

##### a.1) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Key sources of currency risk from non-PERF OECD financial instruments are:

- Voluntary contributions denominated in non-euro currencies.
- Cash and cash equivalents held in non-euro bank accounts, which facilitate operations and transactions outside the Eurozone, including those relating to the Organisation's offices.
- Income received from the sale of publications in non-euro currencies.
- Supplier contracts denominated in non-euro currencies; and
- The payment of salaries and pensions in non-euro currencies.

The impact of the risk arising from the first two of these sources, which are the two most significant, on the Statement of Financial Position is shown by the sensitivity analysis in *Table 9* below.

**Table 9. Currency risk – financial instruments (excluding PERF investment portfolio)**

Financial Asset Class	Note	In €'000 at 31-12-2024 exchange rate									
		CHF	DKK	GBP	JPY	KRW	MXN	SEK	USD	OTHER*	TOTAL
Cash and cash equivalents	5	-	-	1 839	645	1 301	981	-	6 664	-	11 430
Voluntary Contributions receivable**	6	4 462	1 272	7 374	115	97	-	1 612	19 720	6 465	41 118
<b>Total</b>		<b>4 462</b>	<b>1 272</b>	<b>9 213</b>	<b>759</b>	<b>1 398</b>	<b>981</b>	<b>1 612</b>	<b>26 385</b>	<b>6 465</b>	<b>52 547</b>
<b>€'000 impact of a 10% strengthening of the euro against all other currencies</b>											
		CHF	DKK	GBP	JPY	KRW	MXN	SEK	USD	OTHER	TOTAL
Cash and cash equivalents	5	-	-	(167)	(59)	(118)	(89)	-	(606)	-	(1 039)
Voluntary Contributions receivable**	6	(406)	(116)	(670)	(10)	(9)	-	(147)	(1 793)	(588)	(3 738)
<b>Total</b>		<b>(406)</b>	<b>(116)</b>	<b>(838)</b>	<b>(69)</b>	<b>(127)</b>	<b>(89)</b>	<b>(147)</b>	<b>(2 399)</b>	<b>(588)</b>	<b>(4 777)</b>
<b>€'000 impact of a 10% weakening of the euro against all other currencies</b>											
		CHF	DKK	GBP	JPY	KRW	MXN	SEK	USD	OTHER	TOTAL
Cash and cash equivalents	5	-	-	184	64	130	98	-	666	0	1 143
Voluntary Contributions receivable*	6	446	127	737	11	10	-	161	1 972	646	4 112
<b>Total</b>		<b>446</b>	<b>127</b>	<b>921</b>	<b>76</b>	<b>140</b>	<b>98</b>	<b>161</b>	<b>2 638</b>	<b>646</b>	<b>5 255</b>

\* Other currencies include Canadian dollars, Australian dollars and Singapore dollars.

\*\* Including voluntary contributions receivable on a cash basis (payment in full is received prior to spending) and excluding VCs subject to governmental approval.

For the PERF investment portfolio, non-euro unhedged investments across global equities, emerging markets equities, global real estate and infrastructure are subject to currency risk. The Organisation has assessed these risks as shown in *Table 10*.

**Table 10. Currency risk – PERF investment portfolio**

Financial Asset Class	Note	Risk Rating	Maximum Exposure to Currency Risk €'000
<b>Cash and cash equivalents</b>			<b>151</b>
Cash and cash equivalents	8	NS	151
<b>Fixed income</b>			<b>295 477</b>
Global government bonds (H)	8	NS	123 925
Global corporate bonds (H)	8	NS	95 259
Emerging markets sovereign bonds (HC) (H)	8	NS	76 293
<b>Equity</b>			<b>837 408</b>
Euro area equity	8	NE	216 533
Global equity (H)	8	NS	231 538
Global equity (UH)	8	High	243 293
Emerging markets equity (H)	8	High	70 582
Emerging markets equity (UH)	8	Very High	75 463
<b>Alternative investments</b>			<b>402 539</b>
Euro area listed real estate	8	Very Low	74 721
Global direct real estate	8	NS	72 615
Infrastructure	8	High	242 842
European private equity	8	Very Low	12 362
<b>Total portfolio (weighted)</b>		<b>Medium</b>	<b>1 535 575</b>

(H) Euro hedged      NS - Not significant      HC – Hard currency  
(UH) Unhedged      NE – Non existent

*a.2) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A key source of interest rate risk from non-PERF financial instruments is the variation of interest rates on bank deposits. The Organisation actively manages its interest rate risk through its investment management strategy of prioritising the safety and liquidity of its deposits while obtaining competitive interest rates as judged against the Euro Short Term Rate (€STER).

PBRF treasury and PERF bank deposits are actively managed through a Treasury Management Plan to ensure that competitive interest rates are obtained while meeting the target of capital preservation and keeping interest rate and counterparty or credit risk low. Interest rate risk associated with the PERF investment portfolio affects bonds, real estate and cash and cash equivalents in that portfolio.

Table 11 below provides a sensitivity analysis of the impact of a change of interest rates on components in the Statement of Financial Performance. Financial revenue is detailed in “Note 22: Financial revenue and expenses”. The Organisation is sensitive to variations in interest revenue on cash and cash equivalents as this is a source of funding for its Programme of Work and Budget (cf. “Note 24: Organisation’s Resources and Appropriations”).

**Table 11. Interest rates sensitivity - financial instruments (excluding PERF investment portfolio)**

Interest revenue (expense)	€'000					
	Notes	2024	Interest rates 25 basis points higher	Difference	Interest rates 25 basis points lower	Difference
Cash and cash equivalents	5, 8, 22	13 945	14 854	909	13 121	(824)
Voluntary Contributions receivable (amortised cost)	6, 22	(1 967)	(2 473)	(506)	(1 461)	506
Dilapidation provision discounting	16, 22	(2 707)	(2 905)	(198)	(2 508)	198
Borrowings	14, 22	(424)	(447)	(24)	(400)	24
<b>Total</b>		<b>8 848</b>	<b>9 029</b>	<b>181</b>	<b>8 752</b>	<b>(96)</b>

For the PERF investment portfolio, the level of interest rate risk is assessed by the Organisation as shown in *Table 12* below.

**Table 12. Interest rate risk – PERF investment portfolio**

Financial Asset Class	Note	Risk Rating	Maximum Exposure to Interest Rate Risk €'000
<b>Cash and cash equivalents</b>			<b>151</b>
Cash and cash equivalents	8	Low	151
<b>Fixed income</b>			<b>295 477</b>
Global government bonds (H)	8	Very High	123 925
Global corporate bonds (H)	8	Very High	95 259
Emerging markets sovereign bonds (HC) (H)	8	Very High	76 293
<b>Equity</b>			<b>837 408</b>
Euro area equity	8	Very Low	216 533
Global equity (H)	8	Very Low	231 538
Global equity (UH)	8	Very Low	243 293
Emerging markets equity (H)	8	Very Low	70 582
Emerging markets equity (UH)	8	Very Low	75 463
<b>Alternative investments</b>			<b>402 539</b>
Euro area listed real estate	8	Medium	74 721
Global direct real estate	8	Medium	72 615
Infrastructure	8	Low	242 842
European private equity	8	Low	12 362
<b>Total portfolio (weighted)</b>		<b>Medium</b>	<b>1 535 575</b>

(H) EUR hedged (UH) Unhedged (HC) Hard currency

Interest rate risk on bond investments held as part of the PERF is assessed as very high and the exposure is quantified in *Table 13*.

**Table 13. Interest rate sensitivity on PERF bond investments**

Financial Asset Class	Note	Fair value €'000	Impact on Fair Value – 1% Change in Bond Yields €'000
<b>Fixed income</b>			
Global government bonds (H)	8	123 925	8 056
Global corporate bonds (H)	8	95 259	5 493
Emerging markets sovereign bonds (HC)	8	76 293	4 766
<b>Total</b>		<b>295 477</b>	<b>18 315</b>

(H) EUR hedged (UH) Unhedged (HC) Hard currency

### a.3) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Aside from currency risk and interest rate risk, the Organisation is exposed to, and mitigates, other components of market risk and other risks in its management of the PERF investment portfolio. The management of the risks of the PERF investment portfolio is overseen by the PBRF Management Board. The Board examines the risk framework of the PERF and, in parallel, studies the best ways to reduce, monitor and control the risks. It undertakes measures to reduce risk when designing the investment strategy and strategic asset allocation and assesses the risk measures presented in performance reports on a quarterly basis. The OECD Budget Committee approves the strategic asset allocation and monitors its performance. The Organisation has assessed the different components of other price risk across the asset classes as shown in *Table 14* (cf. *Currency risk and Interest rate risk* – see above):

Table 14. Other price risk and its components – PERF investment portfolio

Financial Asset Class	Note	Company / Business Risk Rating	Political / Regulatory Risk Rating	Economy / Growth Risk Rating	Maximum Exposure to Risk €'000
<b>Cash and cash equivalents</b>					<b>151</b>
Cash and cash equivalents	8	NS	Very Low	Very Low	151
<b>Fixed income</b>					<b>295 477</b>
Global government bonds (H)	8	NS	Very Low	Medium	123 925
Global corporate bonds (H)	8	High	Low	Medium/High	95 259
Emerging markets sovereign bonds (HC)(H)	8	NS	High	Medium/High	76 293
<b>Equity</b>					<b>837 408</b>
Euro area equity	8	High	Very Low	High	216 533
Global equity (H)	8	High	Very Low	High	231 538
Global equity (UH)	8	High	Very Low	High	243 293
Emerging markets equity (H)	8	Very High	Medium	High	70 582
Emerging markets equity (UH)	8	Very High	Medium	High	75 463
<b>Alternative investments</b>					<b>402 539</b>
Euro area listed real estate	8	Very High	Very Low	High	74 721
Global direct real estate	8	High	Medium	High	72 615
Infrastructure	8	High	Medium	Medium	242 842
European private equity	8	High	Very Low	High	12 362
<b>Total portfolio (weighted)</b>		<b>High</b>	<b>Low</b>	<b>High</b>	<b>1 535 575</b>

(H) EUR hedged

(UH) Unhedged

(HC) Hard currency

NS - Not significant

The PBRF Management Board accepts to bear some market risk in order to achieve its target return. The objective of the investment strategy is to maximise the net real return with the aim of funding the OECD's pension liabilities in a sustainable manner and at a reasonable level of risk. The Organisation also considers that the PEHLR shall have the same target return and risk as the PBRF. Market risk can be reduced through portfolio diversification, which is an important factor when the PBRF Management Board designs the strategic asset allocation. The strategic asset allocation currently in place was adopted following the third Five-Year Review which was completed in 2021 and presented to the Budget Committee in March 2022 and to the Council on 2 June 2022 [C(2022)12]. The revised SAA was implemented during 2023 and 2024 so that:

- the global sources of risk are more varied: there is less equity risk and more alternative

investments risk, with investments in private equity and global direct real estate. A second euro-hedged infrastructure fund has also been chosen to complete the allocation to this asset class and the investment was completed in 2024; and

- the total fixed income weight does not change but is more diversified through the inclusion of emerging markets sovereign debt, in addition to global developed world government bonds and investment-grade corporate bonds.

Aside from other price risk, the PBRF Management Board oversees a number of other risk sources in the PERF investment portfolio. The Organisation has assessed these risks as shown in *Table 15*.

Table 15. Other risk sources – PERF investment portfolio

Financial Asset Class	Note	Relative Risk Rating	Liquidity Risk Rating	Operational Risk Rating	Maximum Exposure to Risk €'000
<b>Cash and cash equivalents</b>					<b>151</b>
Cash and cash equivalents	8	NS	Very Low	Very Low	151
<b>Fixed income</b>					<b>295 477</b>
Global government bonds (H)	8	Medium	Very Low	Very Low	123 925
Global corporate bonds (H)	8	Low	Very Low	Very Low	95 259
Emerging markets sovereign bonds (HC) (H)	8	Medium	Low	Very Low	76 293
<b>Equity</b>					<b>837 408</b>
Euro area equity	8	Low	Very Low	Very Low	216 533
Global equity (H)	8	Low	Very Low	Very Low	231 538
Global equity (UH)	8	Low	Very Low	Very Low	243 293
Emerging markets equity (H)	8	High	Low	Very Low	70 582
Emerging markets equity (UH)	8	Very Low	Low	Very Low	75 463
<b>Alternative investments</b>					<b>402 539</b>
Euro area listed real estate	8	High	Very Low	Very Low	74 721
Global direct real estate	8	High	Medium	Low	72 615
Infrastructure	8	High	High	Low	242 842
European private equity	8	NE	Very High	Medium	12 362
<b>Total portfolio (weighted)</b>		<b>Medium</b>	<b>Very Low/Low</b>	<b>Very Low/Low</b>	<b>1 535 575</b>

(H) EUR hedged (UH) Unhedged (HC) Hard currency NS – Not significant NE – Non existent

Relative risk is the probability of deviation from the related benchmark's performance, which represents the target return, due to factors such as the portfolio's mechanical drift (different growth patterns of different asset classes), tactical decisions related to the strategic asset allocation and active management (investment timing or other strategies) within the asset classes. The risk is controlled with the portfolio rebalancing strategy, a static strategic asset allocation, investing in index-linked products when possible and close monitoring of active asset managers.

Liquidity risk in the PERF is the risk of losses when liquidating positions due to a lack of liquidity (*see liquidity risk of financial liabilities – section c) below*) or no possibility of liquidation. The PERF can afford some illiquidity as it is a long-term investor, and the liquidity risk is minimised by the selection of liquid asset classes and easily redeemable investment vehicles (mutual funds). Some illiquidity risk is allowed as it pays a premium. The revised SAA comprises 25% illiquid assets classified in alternative assets (global direct real estate, infrastructure and

European private equity); the period to liquidate these financial assets may take several months, if possible at all.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

In the performance report dated 31 December 2024, the risk and risk-adjusted return measures of the PERF investment portfolio were as shown in *Table 16*.

**Table 16. Risks and risk-adjusted return measures – PERF investment portfolio**

	Annualised		Annualised since the inception of the new investment strategy
	1 year	3 years	
<b>Absolute Market Risk</b>			
Volatility PERF [a]	6.70%	8.69%	9.50%
Volatility PERF benchmark	6.33%	8.63%	9.29%
<b>Relative Risk</b>			
Correlation [b]	0.99	0.98	0.99
Tracking error [c]	0.83%	1.84%	1.55%
Beta [d]	1.05	0.98	1.01
<b>Risk-Adjusted Return</b>			
Sharpe ratio PERF [e]	1.14	0.08	0.71
Sharpe ratio PERF benchmark	1.12	0.10	0.67
Information ratio [f]	0.67	-0.13	0.33
Alpha [g]	0.19%	-0.22%	0.46%

[a] Annualised standard deviation of periodic returns.

[b] Extent to which investments vary together. Figures close to +1 indicate low relative risk.

[c] Volatility of the performance difference between an investment and its benchmark index.

[d] Measure of the Fund's volatility relative to the benchmark. Should be approximately +1 for the PERF.

[e] Excess return compared to that of the risk-free rate per unit of risk taken. Should be higher than the benchmark.

[f] Benchmark-relative return gained for taking on benchmark-relative risk. Should be above zero.

[g] Measure of excess return relative to benchmark [after accounting for market risk]. Should be above zero when active management is involved.

Generally, the PERF investments follow very closely the SAA represented by the benchmark. As a result, the volatility of the PERF and benchmark are very similar. Deviations can occur when implementing a new strategy or in periods of exceptional circumstances.

The relative risk of the PERF is also low as shown by the correlation between the Fund and the benchmark, and the Beta, with values close to 1.00. The portfolio's underperformance, compared with that of its benchmark index over the one and three-year periods, explains the negative readings for the information ratio and alpha. Over the one-year period, the information ratio shows the positive results of the actively managed funds within the portfolio.

#### b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Organisation has two principal sources of credit risk:

- Cash and investments
- Receivables

The credit ratings, per class of financial asset, of the Organisation's counterparties are shown below in *Table 17*.

Table 17. Credit ratings per class of financial asset

Financial Asset Class	Note	Credit Ratings	Maximum Exposure to Credit Risk €'000
<b>Cash, cash equivalents and receivables</b>			<b>855 459</b>
Cash and cash equivalents*	5, 8	SG/CIC/CA/BNP: S&P: A/A+/A-/A+, Moody's: A1/A1/Aa3/A2, Fitch: A/AA-/A-/AA-	432 564
Insurance capitalisation contract**	5, 8	AXA: S&P: AA-, Moody's: Aa3, AM Best: A+	63 299
Staff loans receivable	7	NA	9 671
Assessed contributions receivable	6	NA	68 119
Voluntary contributions receivable	6	NA	281 806
<b>Fixed income***</b>			<b>295 477</b>
Global government bonds (H)	8	AA- (Asset manager based on S&P/Fitch/Moody's)	123 925
Global corporate bonds (H)	8	A- (Asset manager based on S&P/Fitch/Moody's)	95 259
Emerging markets sovereign bonds (HC) (H)	8	BB- (Asset manager based on S&P/Fitch/Moody's)	76 293
<b>Equity</b>			<b>837 409</b>
Euro area equity	8	NA	216 533
Global equity (H)	8	NA	231 538
Global equity (UH)	8	NA	243 293
Emerging markets equity (H)	8	NA	70 582
Emerging markets equity (UH)	8	NA	75 463
<b>Alternative investments</b>			<b>402 540</b>
Euro area listed real estate	8	NA	74 721
Global direct real estate	8	NA	72 615
Infrastructure	8	NA	242 842
European private equity	8	NA	12 362
<b>Total</b>			<b>2 390 885</b>

\* Credit ratings shown for Société Générale counterparty long term / short term. Société Générale cash and cash equivalents represent M€ 174.4 of the M€ 432.6

\*\* Excluding the amount attributable to the Staff Provident Fund of K€ 10 405 at 31 December 2024. Issuer Default Ratings (IDRs) opine on an entity's relative vulnerability to default on financial obligations. The Insurer Financial Strength (IFS) Rating provides an assessment of the financial strength of an insurance organisation. The IFS Rating is assigned to the insurance company's policyholder obligations, including assumed reinsurance obligations and contract holder obligations, such as guaranteed investment contracts.

\*\*\* Average rating of underlying fund's positions.

NA – Not applicable (H) EUR hedged (UH) Unhedged (HC) Hard currency

The Organisation has limited credit risk since its Members, partners and other donors generally have excellent credit ratings. Staff loans are limited by reference to emoluments and purpose and are repaid monthly by direct payroll deduction. Collection risk is low and is secured by leaving indemnities and pensions.

The Organisation also manages credit risk associated with its PERF investment portfolio, primarily in the context of bonds, as a component of market risk. For consistency with the approach adopted by IPSAS 30, the credit risk arising from the PERF investment portfolio is reported separately, together with the credit risk of other OECD financial instruments (e.g. OECD and PBRF treasury), below.

The significant financial assets of the Organisation that are past due as at 31 December 2024 are summarised in Table 18.

**Table 18. Financial assets past due as at 31 December 2024**

Financial Asset Class	Note	€'000				Total
		1-90 days	91-180 days	181-365 days	More than one year	
Assessed contributions receivable – Members*	6	60 047		226	191	60 464
Assessed contributions receivable – non-Members	6	3 124			3 808	6 932
Voluntary contributions receivable**	6	5 809	7 613	1 123	2 650	17 196
<b>Total</b>		<b>68 995</b>	<b>7 613</b>	<b>1 349</b>	<b>6 649</b>	<b>84 607</b>

\* Excluding assessed contributions – Member countries fiscal adjustment.

\*\* Including voluntary contributions receivable on a cash basis (payment in full is received prior to spending)

### c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Organisation has low liquidity risk as its only financial liability is a bank loan, re-drawn every six months, to finance the Organisation's staff loan programme (cf. "Note 14: Borrowings"; "Note 7: Staff loans receivable").

Liquidity in the context of the PBRF refers to the capacity of the Fund to settle its pension payment and investment activity obligations in full as they fall due, and or on terms that are not materially disadvantageous. The risk of the PBRF not being able to pay its pension obligations is considered low as contributions are expected to be higher than expenses until 2044. Additionally, as of 31 December 2024, 79% of the investments have small liquidation time and costs, even in stressed markets. Therefore, in the event of non- or late-payment of contributions to the PBRF, fund investments could be liquidated to meet pension payments. This is an undesirable solution as, independent of the liquidity conditions, selling investments in adverse market conditions could lead to an irrecoverable financial loss. Finally, the PBRF's external asset managers have liquidity policies in place to ensure the smooth management of their investment portfolios.

## Note 10: Inventories

**Table 19. Inventories**

	2024 €'000	2023 €'000
Diplomatic reserve	29	27
<b>Gross inventories</b>	<b>29</b>	<b>27</b>
Provision for depreciation of inventories	-	-
<b>Net inventories</b>	<b>29</b>	<b>27</b>

At the end of 2024, the diplomatic reserve is the only Organisation's stock. There were no events in 2024 to adjust the value of the stock for loss of value.

**Note 11: Furniture, fixtures and equipment**

Changes in furniture, fixtures and equipment for the period were as follows:

**Table 20. Furniture, fixtures and equipment**

	31 December 2023 €'000	Acquisitions / Depreciation €'000	Disposals €'000	Transfers €'000	Revaluation €'000	31 December 2024 €'000
<b>Cost of furniture, fixtures and equipment</b>						
Leasehold premises - fixtures and fittings	22 685	7 701	-	39	-	30 425
Other furniture, fixtures and equipment	60 267	6 229	(7 897)	-	-	58 599
Fixed assets in progress	39	68	-	(39)	-	68
<b>Total cost of furniture, fixtures and equipment</b>	<b>82 991</b>	<b>13 998</b>	<b>(7 897)</b>	<b>-</b>	<b>-</b>	<b>89 093</b>
<b>Depreciation</b>						
Leasehold premises - fixtures and fittings	(13 536)	(7 921)	-	-	-	(21 458)
Other furniture, fixtures and equipment	(45 270)	(5 011)	7 582	-	-	(42 699)
<b>Total depreciation</b>	<b>(58 806)</b>	<b>(12 932)</b>	<b>7 582</b>	<b>-</b>	<b>-</b>	<b>(64 156)</b>
<b>Net furniture, fixtures and equipment</b>						
Leasehold premises - fixtures and fittings	9 149	(221)	-	39	-	8 968
Other furniture, fixtures and equipment	14 996	1 218	(314)	-	-	15 900
Fixed assets in progress	39	68	-	(39)	-	68
<b>Total net furniture, fixtures and equipment</b>	<b>24 185</b>	<b>1 066</b>	<b>(314)</b>	<b>-</b>	<b>-</b>	<b>24 936</b>

Acquisitions and disposals of furniture, fixtures and equipment per asset category, including transfers but excluding fixed assets in progress, in 2024 were as follows:

**Table 21. Other furniture, fixtures and equipment - acquisitions and disposals**

Asset Category	Acquisitions & Transfers €'000	Disposals €'000	Net Movement €'000
Security and video conferencing equipment	1 001	(29)	972
Furniture	769	(1 473)	(704)
Desktop and portable computer equipment	2 617	(3 347)	(730)
IT network equipment	1 714	(2 593)	(879)
Other equipment	128	(455)	(326)
<b>Total</b>	<b>6 229</b>	<b>(7 897)</b>	<b>(1 668)</b>

Based on the insurance value, works of art purchased, loaned or donated to the Organisation amounted to M€ 1.3 as at 31 December 2024 (cf. "Note 3: Significant accounting policies").

## Note 12: Land and buildings

The Organisation's land and buildings are comprised principally of its headquarters at La Muette, Paris.

**Table 22. Land and buildings**

	31 December 2023	Acquisitions / Depreciation	Disposals	Transfer	Revaluation	31 December 2024
	€'000	€'000	€'000	€'000	€'000	€'000
<b>At cost / fair value</b>						
Land	112 590	-	-	-	214 310	326 900
Buildings	489 716	1 772	-	1 294	(207 371)	285 412
Buildings in progress	1 300	1 756	-	(1 294)	-	1 761
<b>Total land and buildings</b>	<b>603 606</b>	<b>3 528</b>	<b>-</b>	<b>-</b>	<b>6 939</b>	<b>614 073</b>
<b>Depreciation</b>						
Buildings	(27 675)	(13 033)	-	-	20 446	(20 262)
<b>Total depreciation</b>	<b>(27 675)</b>	<b>(13 033)</b>	<b>-</b>	<b>-</b>	<b>20 446</b>	<b>(20 262)</b>
<b>Net land and buildings</b>						
Land	112 590	-	-	-	214 310	326 900
Buildings	462 041	(11 261)	-	1 294	(186 925)	265 150
Buildings in progress	1 300	1 756	-	(1 294)	-	1 761
<b>Total net land and buildings</b>	<b>575 931</b>	<b>(9 505)</b>	<b>-</b>	<b>-</b>	<b>27 385</b>	<b>593 811</b>

During 2024, the capitalised building works per building, including transfers but excluding works in progress, and disposals were as follows:

**Table 23. Land and buildings - acquisitions and disposals**

Building	Acquisitions & Transfers	Disposals	Net Movement
	€'000	€'000	€'000
Château	1 214	-	1 214
Franqueville	155	-	155
Marshall	779	-	779
Conference Centre	898	-	898
Monaco	15	-	15
Octave Feuillet	5	-	5
<b>Total</b>	<b>3 066</b>	<b>-</b>	<b>3 066</b>

The most significant projects completed in 2024 were the heating, ventilation and cooling (HVAC) works in the Marshall Building (M€ 0.2) and Conference Centre (M€ 0.1), plus lifting infrastructure and carpentry works in the interior of the Conference Centre (M€ 0.3). Moreover, significant structural work to the facades of the Chateau building commenced in 2024.

### Revaluation

Land and buildings are measured at fair value and are revalued at least every three years. They were revalued on the basis of their market values at 31 December 2024, in accordance with the valuation made by *BNP Paribas Real Estate Valuation France*. The valuation expert was selected after a market consultation following OECD procurement policies.

The total value of the land and buildings has increased by MEUR 27.4. Within this increase, the revaluation reserve for land increased and the revaluation reserve for buildings decreased with no impact on the Statement of Financial Performance.

The cumulative effect of revaluations has been recognised as follows:

**Table 24. Land and buildings - revaluation**

	Revaluation variances	
	Recognised in the Statement of Financial Performance	Recognised in the Statement of Financial Position
	€'000	€'000
<b>Balance 31 December 2023</b>		
Cumulative revaluation on land	-	38 579
Cumulative revaluation on buildings	-	385 023
<b>Movement in reserve 2024</b>		
Revaluation increase on land	-	214 310
Revaluation decrease on buildings	-	(186 925)
<b>Net accumulated revaluation variances at 31 December 2024</b>	-	<b>450 988</b>

The revaluation increase of M€ 27.4 in 2024 represents an adjustment of the carrying amount to the current fair value, comprised of an upward adjustment on land, partially offset by a downward adjustment on buildings. (cf. “*Note 19: Member countries’ contributed interest and reserves*”).

### Note 13: Intangible assets

Intangible assets consist of purchased software licenses and developed software.

**Table 25. Intangible assets**

	2023	Acquisitions / Depreciation	Disposals / Impairments	Transfers	2024
	€'000	€'000	€'000	€'000	€'000
Cost	30 884	908	-	6 938	38 731
Intangible assets in progress	9 732	2 669	-	(6 938)	5 463
Depreciation	(18 819)	(4 782)	(1 357)	-	(24 958)
<b>Total net intangible assets</b>	<b>21 797</b>	<b>(1 205)</b>	<b>(1 357)</b>	<b>-</b>	<b>19 236</b>

During 2024 the Organisation acquired, implemented or developed a number of software and applications assets. Most significant among these was the launch of the Organisation’s newly redesigned external website (M€ 3.2). Intangible

assets in progress at 31 December 2024 comprise the cost of digital development projects for the replacement and evolution of various corporate systems. As of 31 December 2024, several significant such projects were in train, including an iterative upgrade of its conference management system, and preparation of the implementation of a new enterprise resource planning system (S/4HANA). The discontinuation of several historic software build projects is reflected in impairments of M€ 1.3.

### Note 14: Borrowings

**Table 26. Borrowings**

	2024	2023
	€'000	€'000
Relating to staff loan programme	9 000	10 000
<b>Total borrowings</b>	<b>9 000</b>	<b>10 000</b>

Borrowings to fund the staff loan programme are reviewed and re-financed, as necessary, every six months (*i.e.* repaid and re-borrowed). The related receivables are disclosed in “*Note 7: Staff loans receivable*”. Total borrowings were reduced from M€ 10.0 in 2023 to M€ 9.0 in 2024. In accordance with IPSAS 41 the financial liabilities are measured at amortised cost though, as the duration of the borrowings is less than one year, the Organisation has elected not to discount them on materiality grounds.

## Note 15: Payables

### Table 27. Payables

	2024 €'000	2023 €'000
<b>Current - payables</b>		
Suppliers and accrued charges	50 465	55 419
Payables to staff and welfare institutions	57 843	53 173
Advances on assessed and voluntary contributions	19 065	25 781
Other payables	38 486	37 668
<b>Total current - payables</b>	<b>165 859</b>	<b>172 042</b>
<b>Non-current payables</b>		
Other payables	-	-
<b>Total payables</b>	<b>165 859</b>	<b>172 042</b>

Suppliers and accrued charges include invoices received from suppliers not yet settled and obligations to suppliers for services performed during the year but not yet invoiced. Accrued charges amounted to M€ 31.6 at 31 December 2024 (2023: M€ 38.2). This decrease is largely explained by a reduction due to the passage of time in the accrual for lease incentives included in the OECD Boulogne lease, which are amortised over the period of the lease.

Payables to staff primarily represent accrued annual leave, other entitlements to leave and other payments due to staff. Payables to welfare institutions consist of current contributions, the most significant of which is in respect of the health insurance contract.

Members are invited in the last quarter of each year to make an advance payment in respect of their assessed contributions due for the following financial year, and donors may make payment immediately prior to the Organisation's formal acceptance of their voluntary contributions. Variation is explained due to the lower advances for assessed contributions on 31 December 2024 compared to 31 December 2023.

Other payables include budget surpluses and interest amounting to M€ 11.2 (2023: M€ 3.1), and advance payments of M€ 21.0 (2023: M€ 27.0) for special projects and from pre-accession countries.

Budget surpluses are credited to an account attributable to each Member country after they are approved by Council and are then available for any use that a Member country may decide. All

surpluses up to the end of 2023 have been approved by Council.

## Note 16: Provisions for liabilities and charges

### Table 28. Provisions

	Dilapidation provision €'000	Tax provision €'000	Other provisions €'000	Total €'000
Balance at the beginning of the year	-	285	283	568
Additional provisions raised	10 166	-	243	10 409
Amounts used	-	(285)	(91)	(376)
Unused amounts reversed during the year	-	-	(203)	(203)
<b>Balance at the end of the year</b>	<b>10 166</b>	<b>-</b>	<b>232</b>	<b>10 398</b>

Provisions for liabilities and charges represent the evaluation at the reporting date of payments to be made in respect of dilapidation costs, taxation and various litigations to which the Organisation is party.

In 2024, Organisation estimated the costs of returning rented properties to their original condition as they were at the lease commencement date and recorded a provision. The provision covers all leased properties.

A group of current and former officials have been assessed taxes by a Member for the years 2014 – 2021 on their OECD remuneration, pursuant to the privileges and immunities agreement applicable to the OECD in that country. The Organisation determined that it must reimburse those taxes for the years concerned and therefore made a provision for the reimbursement of these taxes. The total estimated amount of taxes was M€ 2.1, as calculated by the OECD Secretariat. The liability has been met in full at 31 December 2024. (cf. "Note 27: Contingencies and capital commitments").

## Note 17: Employee benefits

### Defined-contribution scheme

The Organisation holds the Staff Provident Fund assets, which are invested for the benefit of participants (cf. “*Note 8: Investments and security deposits*”). A liability to the participants is recognised to offset the Fund’s assets.

As at 31 December 2024, there were 78 participants in the Staff Provident Fund (2023: 82) and all are retired. There is no obligation for the Organisation to contribute further.

### Defined-benefit schemes

The Organisation operates employee defined-benefit plans through the Co-ordinated Organisations Pension Scheme (COPS) and the New Pension Scheme (NPS), a post-employment health cover and a long-service benefit plan (end-of-service allowances) applicable to a closed group of employees (cf. “*Note 27: Contingencies and capital commitments, section C: Pensions*”).

Table 29 below summarises the number of pensioners by pension scheme, the number of members with deferred rights by pension scheme and the number of officials affiliated to each pension scheme.

**Table 29. Defined-benefit scheme membership**

	31 December 2024	31 December 2023
<b>Pensioners by Pension Scheme</b>	<b>1 794</b>	<b>1 776</b>
COPS	1 658	1 659
NPS	136	117
<b>Members with Deferred pension rights</b>	<b>161</b>	<b>152</b>
COPS	55	60
NPS	106	92
<b>Total Affiliated officials</b>	<b>3 739</b>	<b>3 566</b>
COPS	310	343
NPS	3 429	3 223

Employee benefits represent the estimated actuarial liability of the defined-benefit pension schemes, post-employment health cover and long-service benefits in accordance with IPSAS 39 – “Employee Benefits”.

### Actuarial assumptions

At 31 December 2024, the main actuarial assumptions used to calculate the defined-benefit liability (expressed as weighted averages) were:

**Table 30. Defined-benefit liability actuarial assumptions**

	Pension benefits		Post-employment health coverage	
	2024	2023	2024	2023
Discount rate	3.54%	3.26%	3.58%	3.27%
Future salary increase	1.87%	2.02%		
Future COPS and NPS increase	1.75%	1.78%		
Future health cost increase			3.75%	3.78%

#### Discount rate

One of the key financial assumptions for estimating defined-benefit liabilities is the discount rate used to calculate the present value of the future obligations.

IPSAS 39 states that the discount rate used to discount the defined-benefit obligation may be determined by reference to market yields of financial instruments with terms of maturity approximating the expected terms of the related benefit liabilities. The financial instruments used as a reference may be government bonds, high quality corporate bonds or other financial instruments, which are judged to best reflect the time value of money. The reference used to calculate the discount rate is high quality (AA rated) European corporate bonds.

#### Other assumptions

All demographic assumptions, including mortality, turnover, career progression, invalidity, early retirement and new entrants, are reviewed every five years. In 2023 an updated mortality table, the International Civil Servants Life Table (ICSLT) 2023 was used replacing the ICSLT 2018. This assumption has been maintained at 2024 year-end.

Measures aimed at reducing costs and liabilities for post-employment health care were adopted in December 2011. At that time, it was estimated that 60% of new pensioners would be affiliated to their respective primary national health care schemes.

Based on experience since then, this assumption has been revised to 50% of new pensioners.

The future medical inflation rate is 3.75% at year-end 2024.

The provisions for pension scheme obligations and other social obligations as at 31 December 2024 are set out in *Table 31* below:

**Table 31. Provisions for pension scheme obligations and other social obligations**

	31 December 2024	31 December 2023
	€'000	€'000
Staff Provident Fund	10 405	11 769
<b>Defined contribution schemes</b>	<b>10 405</b>	<b>11 769</b>
Pension Scheme	3 293 594	3 411 200
Post-employment health coverage	476 699	490 624
<b>Defined benefit schemes</b>	<b>3 770 292</b>	<b>3 901 823</b>
<b>Total employee benefits</b>	<b>3 780 697</b>	<b>3 913 592</b>
Employee benefits current	137 041	132 497
Employee benefits non-current	3 643 657	3 781 095

### *Changes in defined-benefit obligations*

The Organisation performs an actuarial valuation of the various defined-benefit schemes in force at the reporting date to measure its employee benefits obligation.

The actuarial valuation of the defined-benefit obligation is determined by discounting the probable future payments required to settle the obligation resulting from employee service rendered in the current and prior periods. The changes in the present value of the defined benefit obligations are shown in *Table 32* below:

**Table 32. Changes in the present value of defined benefit obligations**

	31 December 2024			31 December 2023		
	Pension benefits	Post-employment health coverage	Total benefits	Pension benefits	Post-employment health coverage	Total benefits
	€'000	€'000	€'000	€'000	€'000	€'000
Opening employee future benefits obligation	(3 411 200)	(490 624)	(3 901 823)	(2 822 547)	(402 138)	(3 224 684)
Current service cost	(155 892)	(20 146)	(176 038)	(134 911)	(16 218)	(151 129)
Past service cost	53 836	7 169	61 006	-	-	-
Interest expense	(113 346)	(16 349)	(129 695)	(108 737)	(15 823)	(124 561)
Remeasurements	204 602	35 070	239 672	(470 447)	(63 570)	(534 017)
Net benefits paid	128 406	8 180	136 586	125 442	7 126	132 568
<b>Closing employee future benefits obligation</b>	<b>(3 293 594)</b>	<b>(476 699)</b>	<b>(3 770 292)</b>	<b>(3 411 200)</b>	<b>(490 624)</b>	<b>(3 901 823)</b>

Current & past service cost is the increase in the present value of the defined-benefit obligation resulting from benefits earned through employee service in the current period.

Interest expense is the increase, during the period, in the present value of the defined-benefit obligation which arises because the benefits are one period closer to settlement.

Remeasurements comprise actuarial gains decreasing the obligation or actuarial losses increasing the obligation. Actuarial gains (or losses) arise when the actuarial assessment differs from the long-term expectation of the evolution of the obligations: they result from experience adjustments (difference between the previous actuarial assumptions and what has occurred) and

the effects of changes in actuarial assumptions, both demographic and financial.

As of 31 December 2024, an actuarial gain of M€ 204.6 arose in respect of the pension liability (2023: actuarial loss of M€ 470.4). An actuarial gain of M€ 35.1 arose in respect of the post-employment health care (2023: actuarial loss of M€ 63.6). Hence, in 2024, actuarial gains of M€ 239.7 were generated in total (2023: actuarial

loss of M€ 534). These movements are explained in further detail in the context of *Table 33* and *Table 34* below.

#### *Cost of defined-benefit schemes*

Amounts recognised in the Statement of Financial Performance plus remeasurements (actuarial gains or losses) that are attributable to pension benefits are shown in *Table 33*.

**Table 33. Pension benefits – Statement of Financial Performance plus remeasurements**

	Pension benefits						
	31 December 2024						31 December 2023
	Part I	PBRF	Non budgetary operations	Other budgets	IPSAS adjustments	Total	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Net investment income/(expense)	-	135 347	-	-	-	135 347	133 678
Member country PBRF contributions	-	64 640	-	-	-	64 640	61 680
Employer contributions	-	63 147	-	-	-	63 147	60 513
Other contributions (tax reimbursements)	-	-	-	9 736	-	9 736	9 013
<b>Revenues/(expenses) for the year</b>	<b>-</b>	<b>263 134</b>	<b>-</b>	<b>9 736</b>	<b>-</b>	<b>272 871</b>	<b>264 883</b>
Benefits paid	316	128 039	-	-	(128 355)	-	-
Current service cost	-	-	-	-	155 892	155 892	134 911
Past service cost	-	-	-	-	(53 836)	(53 836)	-
Interest expense	-	-	-	-	113 346	113 346	108 737
Employee contributions from salary	-	(40 310)	-	-	-	(40 310)	(38 462)
Employee contributions – other	-	(3 108)	-	-	-	(3 108)	(2 791)
Other expenses (tax reimbursements)	-	-	-	9 736	-	9 736	9 013
<b>Expenses for the year: pensions (cf. Note 21)</b>	<b>316</b>	<b>84 622</b>	<b>-</b>	<b>9 736</b>	<b>87 047</b>	<b>181 721</b>	<b>211 408</b>
Administration expenses	-	2	-	-	-	2	3
<b>Amount recognised in surplus / (deficit)</b>	<b>(316)</b>	<b>178 510</b>	<b>-</b>	<b>-</b>	<b>(87 047)</b>	<b>91 148</b>	<b>53 472</b>
Actuarial gains / (losses) recognised in the year	-	-	-	-	204 602	204 602	(470 447)
<b>Remeasurements recognised in net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204 602</b>	<b>204 602</b>	<b>(470 447)</b>
<b>Total surplus / (deficit) and remeasurements</b>	<b>(316)</b>	<b>178 510</b>	<b>-</b>	<b>-</b>	<b>117 555</b>	<b>295 750</b>	<b>(416 975)</b>

The surplus in 2024 compared to the deficit in 2023 for the pension benefits can primarily be attributed to the recognition of actuarial gains in 2024 (actuarial losses in 2023) and the positive investment returns in 2024. Due to plan amendments, the liability was remeasured at 1 July 2024, leading to an actuarial gain of

M€ 304.9, resulting primarily from a higher discount rate. The net actuarial gain at 31 December of M€ 204.6 comprises the actuarial gain of M€ 304.9 from remeasurement at 1 July 2024 offset by actuarial losses arising from changes in financial assumptions (M€ 84.8) and changes in experience and demographic

assumptions (M€ 15.5) following the use of the ICSLT 2023.

Investment returns on the PERF investments in 2024 were higher than in 2023. As at 31 December 2024, 87.3% of the PERF portfolio was invested for pension entitlements (cf. “*Note 22: Financial revenue and expenses*”).

Other contributions include pension tax adjustments (reimbursements by the Member countries of a portion of the taxes that retirees must pay on their pensions) which are equally reported as expenses.

Amounts recognised in the Statement of Financial Performance plus remeasurements (actuarial gains or losses) that are attributable to post-employment health coverage are shown in *Table 34* below.

**Table 34. PEHC – Statement of Financial Performance plus remeasurements**

	Post-employment health coverage					
	31 December 2024					31 December 2023
	Part I	PEHLR	Non budgetary operations	IPSAS adjustments	Total	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Investment income/(expense)	-	19 107	-	-	19 107	17 842
Transfer from equalisation provision	-	-	-	-	-	-
Net differential of contributions over costs	-	4 546	-	-	4 536	4 314
Expatriation allowance savings net of related administration costs	-	10 483	(10 483)	-	-	-
<b>Revenues/(expenses) for the year</b>	<b>-</b>	<b>34 136</b>	<b>(10 483)</b>	<b>-</b>	<b>23 653</b>	<b>22 157</b>
Benefits paid	3 991	-	4 189	(8 180)	-	-
Current service cost	-	-	-	20 146	20 146	16 218
Past service cost	-	-	-	(7 169)	(7 169)	-
Interest expense	-	-	-	16 349	16 349	15 823
Other expenses (maintenance of rights of former officials)	265	-	-	-	265	239
<b>Expenses for the year: post-employment health coverage (cf. Note 21)</b>	<b>4 257</b>	<b>-</b>	<b>4 189</b>	<b>21 145</b>	<b>29 591</b>	<b>32 280</b>
<b>Amount recognised in surplus / (deficit)</b>	<b>(4 257)</b>	<b>34 136</b>	<b>(14 672)</b>	<b>(21 145)</b>	<b>(5 938)</b>	<b>(10 124)</b>
Actuarial gains/(losses) recognised in the year	-	-	-	35 070	35 070	(63 570)
<b>Remeasurements recognised in net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35 070</b>	<b>35 070</b>	<b>(63 570)</b>
<b>Total surplus / (deficit) and remeasurements</b>	<b>(4 257)</b>	<b>34 136</b>	<b>(14 672)</b>	<b>13 925</b>	<b>29 132</b>	<b>(73 694)</b>

The total surplus in 2024 for the post-employment health coverage (deficit in 2023) is mainly due to actuarial gains in 2024 (actuarial losses in 2023) resulting from the remeasurement due to plan amendments effective 1 July 2024, lower service costs and the positive investment returns in 2024. The net actuarial gain of M€ 35.0 comprises a gain arising from remeasurement at 1 July 2024 of M€ 53.0, partly offset by actuarial losses of M€ 17.8 arising from changes in financial assumptions.

Investment returns on the PERF portfolio were higher in 2024 than those achieved in 2023. As at 31 December 2024, 12.7% of this portfolio was

invested for post-employment health coverage entitlements (cf. “*Note 22: Financial revenue and expenses*”).

#### **Sensitivity to medical cost inflation**

Assumptions in connection with health care cost trends have a significant effect on the amounts recognised in the Statement of Financial Performance and Statement of Financial Position. A one percentage point change in the assumed rate of health care cost trends would have the following effects:

**Table 35. Sensitivity to medical cost inflation**

	1% €'000	-1% €'000
Effect on the aggregate of the 2024 service cost and interest cost	14 663	(10 016)
Effect on the present value of the defined benefit obligation at 31 December 2024	136 797	(99 893)

***Sensitivity to the discount rate***

The choice of discount rate has a significant impact on the estimation of the defined benefit obligation.

A half percentage point increase and decrease in the discount rate at 31 December 2024 would have the following effects on the present value of the defined benefit obligations:

**Table 36. Defined benefit obligation discount rate sensitivity**

	0.50% €'000	-0.50% €'000
Pension benefits	(279 564)	322 544
Post-employment health coverage	(52 632)	62 102

***History of the liability, value of financial assets and actuarial experience variances***

For the defined-benefit pension plans, the five-year history and experience adjustments are shown in *Table 37*.

The Organisation has established two long-term funding mechanisms to finance the post-employment benefit liabilities (*cf.* “*Note 8: Investments and security deposits*” and “*Note 9: Risks arising from financial instruments*”). The background to the establishment of the long-term pension funding mechanism is explained in “*Note 27: Contingencies and capital commitments*”, section “*C: Pensions*”. Both the Pension Budget and Reserve Fund (PBRF) and Post-Employment Healthcare Liability Reserve (PEHLR) increased in value in 2024, as shown in *Table 37* below, due to the positive investment returns. These reserves are planned to cover a increasing proportion of the respective liabilities in the long term.

**Table 37. Evolution of defined benefit liabilities related financial assets & experience adjustments**

	2024 €'000	2023 €'000	2022 €'000	2021 €'000	2020 €'000
Present value of defined benefit obligations					
[a] Pension liability	3 293 594	3 411 200	2 822 547	4 631 770	5 536 419
[b] Post employment health liability	476 699	490 624	402 137	796 271	1 040 226
<b>Total</b>	<b>3 770 292</b>	<b>3 901 823</b>	<b>3 224 684</b>	<b>5 428 041</b>	<b>6 576 645</b>
Net value of assets*					
[a] PBRF	1 364 489	1 186 662	1 015 415	1 127 002	930 357
[b] PEHLR	198 379	164 924	132 968	138 130	103 542
<b>Total</b>	<b>1 562 868</b>	<b>1 351 586</b>	<b>1 148 383</b>	<b>1 265 132</b>	<b>1 033 899</b>
Experience adjustments on scheme liabilities - % of scheme liabilities **					
[a] Pension liability - %	0.6	4.0	3.1	1.9	-1.5
[b] Post employment health liability - %	0.0	-0.4	-2.6	-1.6	-0.3

\* See Note 19

\*\* These percentages are calculated as follows: (Actuarial (gain) or loss arising from changes in experience / Present value of obligation at 1 January) \*100

***Contributions of the Organisation expected in 2025***

The Organisation expects to contribute approximately M€ 133 to its pension schemes in 2025.

**Note 18: Deferred revenue****Table 38. Deferred revenue**

	2024 €'000	2023 €'000
<b>Current - deferred revenue</b>		
Voluntary contributions	286 008	250 225
Publications	4 979	5 006
Other operations, Part I, Part II and Annex budgets	65 337	38 406
<b>Total current - deferred revenue</b>	<b>356 324</b>	<b>293 638</b>
<b>Non-current - deferred revenue</b>		
Voluntary contributions	239 677	237 241
Publications	303	142
<b>Total non-current - deferred revenue</b>	<b>239 980</b>	<b>237 383</b>
<b>Total deferred revenue</b>	<b>596 304</b>	<b>531 021</b>

Deferred revenue corresponds to revenue that has been recorded but for which the corresponding charges will be incurred after the reporting date.

Non-current deferred revenue is in respect of activities more than 12 months after the reporting date.

The split between current and non-current deferred revenue in connection with voluntary

contributions is estimated based on historical expenditure trends in meeting the performance obligations of the voluntary contribution agreements accepted by the Organisation. Voluntary contributions are accepted to fund outputs which are planned for implementation and delivery during the biennial Programme of Work. The overall increase in deferred revenue from voluntary contributions is in line with an increase in voluntary contributions acceptances in 2024.

Publications deferred revenue has slightly increased due to higher subscription sales relating to future periods being invoiced and paid before 31 December 2024. This type of deferred revenue all relates to IEA publications, following the move to an “Open by Default” dissemination model for other OECD publications during 2024 (*cf. “Note 3: Significant accounting policies”*).

The increase in ‘Other operations’, Part I, Part II and Annex budget deferred revenue is principally due to an increase in amounts relating to pre-Accession country contributions.

## Note 19: Member countries' contributed interest and reserves, including associated long-term commitments

Table 39. Member countries' contributed interest and reserves

	Before allocation of 2023 results	Allocation of 2023 results				Change in net assets in 2024				Before allocation of 2024 results
	31 December 2023	IPSAS adjustments carried forward	Budgetary surpluses to be allocated	Previous year results added to reserves	Total	Utilisation of reserves and budget surpluses	Budget surpluses to be returned to Member and non-Members	Transfers / revaluations and current year surplus	Impact of restatement	31 December 2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Pension benefits	(3 292 994)	-	-	(118 206)	(118 206)	-	-	204 602	-	(3 206 598)
Pension Budget and Reserve Fund (PBRF) reserve	1 015 415	-	-	171 248	171 248	-	-	-	-	1 186 662
Post-employment health coverage	(465 707)	-	-	(24 916)	(24 916)	-	-	35 070	-	(455 554)
Post-Employment Health Liability (PEHL) reserve	132 968	-	-	31 955	31 955	-	-	(589)	-	164 335
Capital Investment Budget and Reserve Fund (CIBRF) Class 2	20 627	-	-	(1 576)	(1 576)	-	-	-	-	19 051
CIBRF Class 3	4 059	-	-	(3 304)	(3 304)	-	-	-	-	755
Publications - one off adjustment	(638)	-	-	638	638	-	-	-	-	-
<b>Long-term commitments and associated reserves</b>	<b>(2 586 270)</b>	<b>-</b>	<b>-</b>	<b>55 840</b>	<b>55 840</b>			<b>239 083</b>		<b>(2 291 348)</b>
Indemnities and Benefits Fund (IBF)	10 295	-	-	(401)	(401)	-	-	589	-	10 483
Fixed assets - Land and Buildings (Revaluation per Note 12 and Members' Initial Contribution)	567 810	-	-		-	-	-	27 385	-	595 196
Exchange differences	2 182	-	-	209	209	-	-	-	-	2 391
<b>Technical reserves (restated)</b>	<b>580 287</b>	<b>-</b>	<b>-</b>	<b>(193)</b>	<b>(193)</b>	<b>-</b>	<b>-</b>	<b>27 974</b>	<b>-</b>	<b>608 070</b>

	Before allocation of 2023 results	Allocation of 2023 results				Change in net assets in 2024				Before allocation of 2024 results
	31 December 2023	IPSAS adjustments carried forward	Budgetary surpluses to be allocated	Previous year results added to reserves	Total	Utilisation of reserves and budget surpluses	Budget surpluses to be returned to Member and non-Members	Transfers / revaluations and current year surplus	Impact of restatement	31 December 2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
CIBRF Class 1	398	-	-	(92)	(92)	-	-	-	-	306
Asbestos early retirement scheme	119	-	-	-	-	-	-	-	-	119
Publications (Part I)	765	-	-	(765)	(765)	-	-	-	-	-
Part II - IEA Reserve (ex IEA Net publications results)	8 521	-	-	3 918	3 918	(2 101)	-	-	-	10 338
Part II - IEA - Loss of Employment	1 591	-	-	105	105	-	-	-	-	1 696
Part II - SLI - Loss of Employment	41	-	-	-	-	-	-	-	-	41
Part II - Sahel	220	-	-	-	-	(220)	-	-	-	-
Part II - Agriculture	117	-	-	-	-	-	-	-	-	117
Reserve ISRP	-	-	-	100	100	-	-	-	-	100
<b>Budgetary reserves</b>	<b>11 771</b>			<b>3 268</b>	<b>3 268</b>	<b>(2 321)</b>	<b>-</b>	<b>-</b>		<b>12 717</b>
<b>Total reserves</b>	<b>(1 994 212)</b>			<b>58 915</b>	<b>58 915</b>	<b>(2 321)</b>	<b>-</b>	<b>267 057</b>		<b>(1 670 561)</b>
Allocation of the net surplus for the prior period	77 604	7 083	(30 472)	(54 216)	(77 604)	-	-	-	-	-
Net surplus for the current period	-	-	-	-	-	-	-	125 115	-	125 115
<b>Net surplus</b>	<b>77 604</b>	<b>7 083</b>	<b>(30 472)</b>	<b>(54 216)</b>	<b>(77 604)</b>	<b>-</b>	<b>-</b>	<b>125 115</b>	<b>-</b>	<b>125 115</b>
<b>Accumulated surplus</b>	<b>10 467</b>	<b>(7 083)</b>	<b>30 472</b>	<b>(4 699)</b>	<b>18 690</b>	<b>(16 418)</b>	<b>(9 355)</b>	<b>-</b>	<b>-</b>	<b>3 384</b>
<b>Total Member countries' contributed interest and reserves</b>	<b>(1 906 141)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18 739)</b>	<b>(9 355)</b>	<b>392 172</b>	<b>-</b>	<b>(1 542 062)</b>

Member countries' contributed interest and reserves (a net obligation of M€ 1 542 at 31 December 2024) comprise principally a reserve for Land and Buildings owned by the Organisation less liabilities for Pension benefits and Post-employment health cover as detailed in “*Note 17: Employee benefits*”.

The balance shown at 31 December 2024 excludes movements in the reserves for the current year that are included in the net surplus for the current period. The net surplus for the current period will be allocated to reserves and accumulated surplus, as shown in “*Note 26: Proposed allocation of the results for the period*”.

#### *Long-term commitments and associated reserves*

Financing reforms were put in place in 2000 to build up a reserve to fund the pension liability over the long term (*cf. “Note 27: Contingencies and capital commitments”, section C: Pensions*). Since 1 January 2012, savings generated by the new system of expatriation allowance are allocated to the Post-Employment Healthcare Liability Reserve (PEHLR). The movement is predominantly due to savings generated by the new system of expatriation and investment returns earned on the counterpart assets invested as part of the PERF (*cf. “Note 8: Investments and security deposits”*).

The creation of the Capital and Investment Budget and Reserve Fund (CIBRF) was approved by Council in December 2011 to provide for future investment needs for three asset classes as set out in [C\(2011\)144](#); [C\(2011\)144/FINAL](#) and [C\(2013\)152](#). Class 1 covers short and medium-term operating assets which have useful lives of less than 10 years. This part of the CIBRF is shown under the category ‘Budgetary reserves’. Class 2 covers long-term assets relating to buildings’ infrastructure with useful lives of 10 - 20 years, and Class 3 covers long-term assets relating to buildings’ infrastructure whose useful lives extend beyond 20 years. The CIBRF relating to Classes 2 and 3 are shown under the category ‘Long term commitments and associated reserves’. The CIBRF is funded mainly by cost recovery charges, interest income and Members’ assessed contributions.

#### *Technical reserves*

The Indemnities and Benefits Fund (IBF) was created as of 1 January 2009 to support both budget and human resources reforms and contribute to more efficient administration. Statutory benefits and allowances payable to officials, together with a levy to cover loss of employment indemnities, are consolidated in this fund by applying a rate, based on historical experience, to basic salaries. This rate is reviewed regularly and is generally adjusted annually based on actual experience. Surpluses are carried forward and, *ceteris paribus*, any reduction of the rate applied should also reduce the amount of future carry-forwards. The IBF average rate was 50.55% in 2024.

The reserve for fixed assets – Land and Buildings comprises principally the revaluation surplus of land and buildings owned by the Organisation.

The reserve for exchange differences is maintained to cover the risk of exchange rate losses. Net realised foreign exchange gains are accumulated in this reserve to offset net realised foreign exchange losses.

The Publications – one-off adjustment was recorded following the approval of Council to move from cash-based to accruals based recognition of publications income from 1 January 2017 [[C\(2016\)149/REV1](#)] in the Publications annex budget. In 2024 the negative reserve was fully offset by the allocation of some the 2023 results.

#### *Budgetary reserves*

The reserve for the Asbestos early retirement scheme was created by Council to finance an early retirement scheme for a closed group of officials who have had significant exposure to asbestos (*cf. “Note 27: Contingencies and capital commitments”, A. Contingencies*).

The Publications (Part I) reserve was maintained to manage publications revenue risk.

Part II reserves are intended to fund similar specific financing requirements for the purposes cited in their respective titles.

The accumulated surplus / (deficit) results from IPSAS accounting adjustments carried forward.

In 2024 Council approved the recording of accounting entries to reallocate amounts (kEUR 552) corresponding to assessed contributions due from the Russian Federation and Belarus into dedicated reserves (cf. “*Note 26: Proposed allocation of the results for the period*”).

## Note 20: Revenues

**Table 40. Revenues**

	2024 €'000	2023 €'000
Assessed contributions	344 264	329 816
Voluntary contributions	348 697	303 699
Pension contributions	137 523	131 206
Sales of publications	16 768	20 290
Other revenues	44 055	39 501
<b>Total revenues</b>	<b>891 307</b>	<b>824 512</b>

Assessed contributions called up for Part I, Part II and Annex Budgets changed in line with the annual Budget (2024: M€ 329.7; 2023: M€ 319.8). The amounts reported for assessed contributions include accounting adjustments for deferred income, approved carry forwards of budgetary surpluses and funding from reserves.

Revenue from voluntary contributions is recognised up to the amount expensed cumulatively in the period. The increase in income from voluntary contributions in 2024 reflects the volume of voluntary contributions accepted in 2024 as well as continuing multi-year financing

from voluntary contributions accepted in prior years.

Pension contributions include amounts paid by Member countries to the Pension Budget and Reserve Fund, employer contributions and other contributions in respect of tax reimbursements (cf. “*Note 17: Employee benefits*”, Table 33).

Publications income decreased in 2024 compared with 2023, reflecting the move to an “Open by Default” dissemination model (except for IEA publications).

Other revenue is broken down as follows:

**Table 41. Other revenues**

	2024 €'000	2023 €'000
Accession countries	18 100	16 668
Non-Member countries' participation in OECD bodies	5 279	4 155
Other	20 676	18 677
<b>Total other revenues</b>	<b>44 055</b>	<b>39 501</b>

Revenue from accession countries is higher in 2024 than in 2023, reflecting an increase in work related to the Accession Roadmaps for candidate accession countries.

Other revenues include employee health insurance contributions, employee salary reimbursements, supplementary contributions to ISRP, services invoiced to permanent delegations and miscellaneous cost reimbursements.

## Note 21: Expenses

Table 42. Expenses

	2024 €'000	2023 €'000
<b>Personnel costs:</b>		
Salaries and benefits	487 826	458 614
Temporary staff salaries and benefits	20 770	16 595
Other personnel costs (incl. training)	2 743	1 928
<b>Total personnel costs</b>	<b>511 339</b>	<b>477 137</b>
<b>Employee benefits – defined benefit schemes:</b>		
Pension expenses ( <i>cf. Note 17</i> )	181 720	211 408
Post-employment health coverage expenses ( <i>cf. Note 17</i> )	29 591	32 280
<b>Total employee benefits – defined benefit schemes</b>	<b>211 311</b>	<b>243 689</b>
<b>Total consulting costs</b>	<b>76 242</b>	<b>63 018</b>
<b>Travel costs:</b>		
Travel costs missions – personnel	19 748	17 810
Travel costs - external invitees	5 578	5 438
<b>Total travel costs</b>	<b>25 326</b>	<b>23 248</b>
<b>Operating costs:</b>		
External services	8 926	8 845
Building rentals	21 603	20 120
Licenses, small equipment, maintenance and repairs	16 046	17 381
Utilities	3 435	4 448
Consumables and supplies	4 544	4 420
Printing and reproduction	56	118
Conference, meetings, interpretation and translation	10 143	8 960
Communication	1 325	1 623
Marketing and receptions	2 627	2 175
External publications	739	782
Depreciation	32 103	24 370
Inventory variation	(2)	478
<b>Total operating costs</b>	<b>101 545</b>	<b>93 720</b>
<b>Other costs:</b>		
Non-refundable taxes and insurance	1 994	1 848
Other administration expenses and net operating gains and losses	451	542
Provisions for liabilities and charges, risk on uncollected receivables and publications inventories	1 566	(178)
<b>Total other costs</b>	<b>4 011</b>	<b>2 212</b>
<b>Total expenses</b>	<b>929 774</b>	<b>903 024</b>

The main variances between 2024 and 2023 are as follows:

- The increase in total personnel costs of 7% is due to the combined effects of an increase in staffing levels between 2023 and 2024 in line with the 2024 Programme of Work, and the effect of the 2024 salary adjustment approved by Council.
- Pension and post-employment benefit costs show a significant decrease in 2024 compared with 2023. This is primarily due to a reduction of the current service costs and a positive adjustment from the past service costs which reflect the assumptions used for the plan amendments at 1 July 2024 (cf. “*Note 17: Employee benefits*”).
- Consulting costs increased by 21% in 2024 compared with 2023, due to the demands of implementing the 2024 Programme of Work.
- Travel expenses for OECD officials and external invitees increased by 8.9% in 2024, primarily due to an increase in mission volumes compared to 2023. The increase in missions is due to the demands of implementing Programme of Work-related projects, of which, an increasing number are funded by voluntary contributions.
- Building rental costs relate primarily to OECD Boulogne and office space leased by the International Energy Agency (IEA).
- In 2024, total utility expenditure decreased compared to 2023, primarily due to lower electricity costs. The reduction in electricity expenses was driven by a combination of lower energy rates and decreased consumption.
- The rise in conference, meeting, interpretation, and translation costs in 2024 is attributed to the increased in-person events in line with the demands of implementing the 2024 Programme of Work.
- The increase in marketing, receptions and external publications in 2024 is due to the demands of implementing Programme of Work outputs, an increasing number of which are funded by voluntary contributions.
- Depreciation charges have increased by 31.7% in 2024 mainly due to the additional depreciation of capitalised dilapidation costs related to leased offices (mainly the Boulogne premises), recent office renovations, software developments and other acquisitions.
- Inventory variation is reduced in 2024 compared to 2023 due to the write off of the publications inventory, which occurred in 2023.
- Further information on movements in provisions for liabilities and charges is detailed in “*Note 16: Provisions for liabilities and charges*”. The increase of the provision follows IPSAS 41 and yearly update of the relevant ECL calculation. The provision for impairment of non-Member country assessed contribution receivables was increased by MEUR 0.9 and the provision for impairment of voluntary contributions receivables was increased by MEUR 0.9 (cf. “*Note 6: Accounts receivable and prepayments*”).

Additional information is provided in “*Note 23: Segment information - Statement of Financial Performance*” which provides further analysis based on the Organisation’s main activities and sources of financing.

**Note 22: Financial revenue and expenses****Table 43. Financial revenue and expenses**

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Interest income on restricted cash	2 109	1 839
Interest income on unrestricted cash - general treasury	11 835	8 764
Net foreign currency conversion gain	6 985	-
<b>Total financial revenue</b>	<b>20 929</b>	<b>10 603</b>
Post-Employment Reserve Fund (PERF) realised investment gain / (loss)	51 985	737
PERF unrealised investment gain / (loss)	96 099	154 566
<b>PERF investment gain / (loss)</b>	<b>148 084</b>	<b>155 303</b>
Interest expense	423	498
Bank charges	335	348
Net foreign currency conversion loss	-	5 354
Other financial expense (net)	4 673	3 590
<b>Total financial expenses</b>	<b>5 431</b>	<b>9 790</b>
<b>Financial revenue, net</b>	<b>163 582</b>	<b>156 116</b>

Total financial revenue (net) increased by M€ 7.5 in 2024 compared with 2023, as shown above.

Interest income on restricted cash and on general treasury increased by k€ 3 341 in 2024 as compared to 2023. Most of the restricted funds are invested with the AXA capitalisation contract, which yielded an interest rate of 2.4% in 2024 (2023: 2.4%). In 2024, there were higher balances of restricted cash which explains the increase in interest income.

Short-term interest rates obtained were higher in 2024 than in 2023 which, combined with a higher average general treasury unrestricted cash balance in 2024 compared to 2023, resulted in higher interest revenue on unrestricted general treasury funds in 2024. The unrestricted general treasury funds are derived mostly from voluntary contributions received in advance of the related expenditure. In 2024 the €STER (Euro Short Term Rate) average (volume-weighted trimmed mean rate) was 3.6%, compared to 2023 (3.2%). The weighted average interest rate earned by the Organisation on these funds for 2024 was 3.3% versus 2.8% in 2023.

Net foreign-exchange gains for the period ending 31 December 2024 totalled M€ 7.0 (versus net losses of M€ 5.4 in 2023). A significant component of the net gain in 2024 is the

revaluation of a USD denominated infrastructure investment held as part of the PERF (M€ 5.4).

Interest income earned by the restricted cash portion of the Pension Budget and Reserve Fund was k€ 1 647 for the period ending 31 December 2024 (2023: k€ 847). An increase in the interest rates earned on term deposits and savings accounts contributed to the increase in interest income from 2023 to 2024 as well an increased use of term deposits. Additionally, the PBRF Board decided to temporarily maintain investment funds in a special Cash Account within the Investment Portfolio which contributed to k€ 494 to the interests earned.

Investment income (net realised and unrealised gains or losses), including management fee rebates and transaction costs booked through surplus or deficit, amounted to a net surplus of M€ 148.1 in 2024. In the period ending 31 December 2024, long-term investments of the PERF had a positive time-weighted return of 11.42% (2023: positive return of 13.14%). The return in 2024 is above the benchmark (10.86%). The strong relative return versus benchmark is mostly due to the overperformance of the Equity instruments and the investments in Infrastructure being compared to a fixed annual return.

Interest expense, relating to borrowings to fund the staff loan programme, has decreased by k€ 65

from 2023 to 2024, as the interest rate paid by the Organisation decreased, and the amount borrowed decreased from M€ 10.0 to M€ 9.0 in May 2024.

Other financial expense of k€ 4 673 in 2024 (k€ 3 590 in 2023) relates to discounting of non-current voluntary contributions receivables to amortised cost at 31 December 2024 (*cf. "Note 6: Accounts receivable and prepayments"*) and discounting of newly created dilapidation provision. The discount rate is based on the Organisation's average borrowing rate over the last three years .

### Note 23: Segment information - Statement of Financial Performance

Segment information is based on the Organisation's main activities and sources of financing. These service segments conform to the 2023-24 Programme of Work of the Organisation. Part I is for programmes financed by the Members, whereas Part II is for special programmes financed by some or all Members and non-Members. Non-budgetary operations include the staff on loan programme, foreign-exchange variances and other sundry operations (*cf. "Note 3: Significant accounting policies", and "Note 1: General information"*).

Owing to the nature of the Organisation's activities, its assets and liabilities are used jointly by all segments and cannot be separated by segment.

The following table combines budgetary and IPSAS financial reporting. IPSAS adjustments are accounting entries that are required for compliance with IPSAS but are not mandated by the Organisation's budgetary reporting rules. The primary purpose of these adjustments is to apply the accrual accounting principle with regard to expenses and revenues, pension benefits and other personnel costs, fixed assets and related depreciation. When possible, accrual adjustments are allocated to revenue and expenses by segment. IPSAS accrual adjustments that are not allocated to a specific segment are reported in the "IPSAS" column. Internal operations reflect the estimated cost of services exchanged between segments.

Internal operations have been split into four categories:

1. Recurrent internal invoicing between services;
2. Overhead Charges re-billed between Part I and Part II of the Budget;
3. Recoveries of administration costs for voluntary contributions, as per Council Decision [\[C\(2021\)73\]](#); and
4. Internal transfers of expenditure between segments.

Table 44. Segment reporting

	Part I		Part II		Annex budgets (Incl. Pre- & Post-accession)		Voluntary contributions	
	(1)		(2)		(3)		(4)	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Assessed contributions	215 050	207 312	115 847	116 439	3 163	2 338	-	7
Voluntary contributions	-	-	-	-	-	-	348 697	303 699
Pension contributions	-	-	-	-	9 726	9 013	-	-
Sales of publications	-	-	12 652	12 044	4 116	8 246	-	-
Other	3 758	3 025	7 777	6 980	18 100	16 668	6 832	5 652
<b>Total revenues</b>	<b>218 808</b>	<b>210 337</b>	<b>136 276</b>	<b>135 463</b>	<b>35 115</b>	<b>36 265</b>	<b>355 529</b>	<b>309 356</b>
Personnel	202 191	189 861	80 095	72 856	20 266	24 272	230 858	203 809
Pension & post-employment benefits	4 572	4 198	-	-	9 736	9 013	-	-
Consulting	16 911	13 764	12 135	13 741	527	886	45 525	33 700
Travel	4 779	4 376	3 358	3 567	536	481	16 551	14 817
Operating	47 890	48 688	11 151	12 282	1 325	2 136	9 121	7 762
Other	1 635	1 479	1 546	686	55	(1 490)	1 001	449
<b>Total expenses</b>	<b>277 978</b>	<b>262 366</b>	<b>108 285</b>	<b>103 132</b>	<b>32 445</b>	<b>35 298</b>	<b>303 056</b>	<b>260 537</b>
<b>Surplus / (deficit) from operating</b>	<b>(59 170)</b>	<b>(52 029)</b>	<b>27 991</b>	<b>32 331</b>	<b>2 670</b>	<b>967</b>	<b>52 473</b>	<b>48 821</b>
Other financial revenue and expenses, net	11 668	8 606	(49)	(44)	(9)	(14)	(1 973)	(3 593)
PERF investment income	-	-	-	-	-	-	-	-
<b>Total financial revenue and expense, net</b>	<b>11 668</b>	<b>8 606</b>	<b>(49)</b>	<b>(44)</b>	<b>(9)</b>	<b>(14)</b>	<b>(1 973)</b>	<b>(3 593)</b>
<b>Surplus / (deficit) from ordinary activities</b>	<b>(47 502)</b>	<b>(43 423)</b>	<b>27 942</b>	<b>32 287</b>	<b>2 661</b>	<b>953</b>	<b>50 499</b>	<b>45 228</b>
Internal invoicing	17 789	16 671	(10 414)	(10 313)	(740)	(35)	(6 583)	(6 278)
Overhead	11 582	11 132	(11 450)	(11 006)	-	-	(132)	(126)
Voluntary Contribution cost recoveries	34 481	30 928	8 718	6 958	-	-	(42 861)	(38 055)
Internal transfers	1 068	905	628	605	-	-	(923)	(769)
<b>Total internal operations</b>	<b>64 920</b>	<b>59 636</b>	<b>(12 517)</b>	<b>(13 755)</b>	<b>(740)</b>	<b>(35)</b>	<b>(50 499)</b>	<b>(45 228)</b>
<b>Net surplus / (deficit) for the period</b>	<b>17 418</b>	<b>16 213</b>	<b>15 425</b>	<b>18 530</b>	<b>1 921</b>	<b>916</b>	<b>-</b>	<b>-</b>

	Non-budgetary operations		Post-Employment Healthcare Liability Reserve		Pension Budget and Reserve Fund		IPSAS (Unallocated)		TOTAL	
	(5)		(6)		(7)		(8)		(1 to 8)	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Assessed contributions	10 204	3 721	-	-	-	-	-	-	344 264	329 816
Voluntary contributions	-	-	-	-	-	-	-	-	348 697	303 699
Pension contributions	-	-	-	-	127 787	122 193	-	-	137 523	131 206
Sales of publications	-	-	-	-	-	-	-	-	16 768	20 290
Other	1 128	1 142	6 459	6 034	-	-	-	-	44 054	39 501
<b>Total revenues</b>	<b>11 332</b>	<b>4 863</b>	<b>6 459</b>	<b>6 034</b>	<b>127 787</b>	<b>122 193</b>		<b>-</b>	<b>891 306</b>	<b>824 512</b>
Personnel	(6 046)	1 448	(10 483)	(9 858)	-	-	(5 542)	(5 253)	511 339	477 137
Pension & post-employment benefits	51	75	-	-	84 622	83 938	112 330	146 465	211 311	243 689
Consulting	1 389	1 172	-	-	-	-	(244)	(245)	76 243	63 018
Travel	102	8	-	-	-	-	-	-	25 326	23 248
Operating	12 130	8 514	1 913	1 720	-	-	18 014	12 618	101 544	93 720
Other	(542)	788	-	-	2	3	314	296	4 011	2 212
<b>Total expenses</b>	<b>7 084</b>	<b>12 005</b>	<b>(8 570)</b>	<b>(8 138)</b>	<b>84 624</b>	<b>83 941</b>	<b>124 872</b>	<b>153 881</b>	<b>929 774</b>	<b>903 024</b>
<b>Surplus / (deficit) from operating activities</b>	<b>4 248</b>	<b>(7 142)</b>	<b>15 029</b>	<b>14 172</b>	<b>43 163</b>	<b>38 252</b>	<b>(124 872)</b>	<b>(153 881)</b>	<b>(38 468)</b>	<b>(78 512)</b>
Other financial revenue and expenses, net	2 199	(358)	155	(411)	6 215	(3 373)	(2 707)	-	15 499	813
PERF investment income	-	-	18 952	18 253	129 132	137 051	-	-	148 084	155 303
<b>Total fin. revenue and expense, net</b>	<b>2 199</b>	<b>(358)</b>	<b>19 107</b>	<b>17 842</b>	<b>135 347</b>	<b>133 678</b>	<b>(2 707)</b>	<b>-</b>	<b>163 583</b>	<b>156 116</b>
<b>Surplus / (deficit) from ordinary activities</b>	<b>6 447</b>	<b>(7 500)</b>	<b>34 136</b>	<b>32 014</b>	<b>178 510</b>	<b>171 930</b>	<b>(127 579)</b>	<b>(153 881)</b>	<b>125 115</b>	<b>77 604</b>
Internal invoicing	(50)	(44)	-	(1)	-	-	-	-	-	-
Overhead	-	-	-	-	-	-	-	-	-	-
Voluntary Contribution cost recoveries	(338)	168	-	-	-	-	-	-	-	-
Internal transfers	-	-	(91)	(59)	(683)	(682)	-	-	-	-
<b>Total internal operations</b>	<b>(388)</b>	<b>123</b>	<b>(91)</b>	<b>(59)</b>	<b>(683)</b>	<b>(682)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus / (deficit) for the period</b>	<b>6 059</b>	<b>(7 376)</b>	<b>34 045</b>	<b>31 955</b>	<b>177 827</b>	<b>171 248</b>	<b>(127 579)</b>	<b>(153 882)</b>	<b>125 115</b>	<b>77 604</b>

## Note 24: Organisation's Resources and Appropriations

The Organisation operates a results-based planning, budgeting and management framework that seeks to direct the Organisation's efforts to the identified policy impacts approved by Member governments. Resources are deployed to achieve these outcomes through the Programme of Work and performance is evaluated after the fact.

The focus on results aims to sharpen accountability at all levels in the Organisation, to reassure Member countries that the resources they entrust to the Organisation are managed efficiently and used for the purposes for which they were intended. It ensures both that the Organisation's outputs respond to the most important policy concerns of governments, and that the results achieved are the ones expected in terms of policymaking in capitals.

The Organisation's Programme of Work and Budget (PWB) forms part of an integrated, continuous management cycle linking planning, prioritisation, budgeting, reporting and evaluation.

Since 2002, the Organisation has had in place a Strategic Management Framework based on six Strategic Objectives that reflect the OECD Convention. These are:

1. Promote sustainable economic growth, financial stability and structural adjustment.
2. Provide employment opportunities for all, improve human capital and social cohesion and promote a sustainable environment.
3. Contribute to shaping globalisation for the benefit of all through the expansion of trade and investment.
4. Enhance public- and private-sector governance.
5. Contribute to the development of non-Member economies.
6. Provide effective and efficient corporate management.

These Strategic Objectives cascade down to Output Groups and, at a lower level, to Output Areas. The Strategic Management Framework provides the basis for Council decisions on resource allocation and for Committee planning, budgeting and reporting.

*Table 45* shows the amount of the original Budget of income and expenditure for 2024 that was approved by Council in 2023, and the final Budget, which includes commitments carried forward from 2023, appropriations carried forward for certain Part II Programmes and, in accordance with the provisions of the Financial Regulations, new, revised and supplementary budgets approved in 2024. This Budget does not include voluntary contributions.

Table 45. Budgeted resources and appropriations

	Budget Amount		Actual*	Difference Final Budget and Actual
	Original Budget	Final Budget		
	€'000	€'000	€'000	€'000
<b>Income</b>				
Part I	229 874	244 909	255 924	11 015
Part II	122 001	139 179	143 417	4 238
Annex budgets	85 945	82 023	83 700	1 677
Pre-Accession budgets	17 189	29 617	29 617	
Post-Accession budget		207	207	
Fixed fees from post-2017 Members	1 000	1 021	1 021	
<b>Total income</b>	<b>456 009</b>	<b>496 956</b>	<b>513 886</b>	<b>16 930</b>
<b>Expenditure</b>				
Part I	229 874	244 909	243 718	1 192
Part II	122 001	139 179	126 220	12 959
Annex budgets	85 945	82 023	81 581	442
Pre-Accession budgets	17 189	29 617	18 073	11 544
Post-Accession budget		207	207	
Fixed fees from post-2017 Members	1 000	1 021	1 016	5
<b>Total expenditure</b>	<b>456 009</b>	<b>496 956</b>	<b>470 815</b>	<b>26 141</b>
<b>Net result</b>				
Part I			12 206	12 206
Part II			17 197	17 197
Annex budgets			2 119	2 119
Pre-Accession budgets			11 544	11 544
Post-Accession budget				
Fixed fees from post-2017 Members			5	5
<b>Total net result</b>			<b>43 071</b>	<b>43 071</b>

\* Actual Expenditure is the sum of disbursements plus expenditure committed but not paid at the financial period end that will be carried forward to the next financial period under Financial Regulation 10§ 1.

The Part I Budget shows an income surplus of M€ 11.0 and unspent appropriations of M€ 1.2.

Part I Budget income is higher than budget due principally to interest income being significantly higher than anticipated throughout 2024 (M€ +10.6) and higher than planned income from Partnership fees (M€ +0.6), despite some negative differences on other income lines, mainly on Members' assessed contributions which is the result of the application of the 300% cap on increases in assessed contributions in 2024 (M€ 0.3). The use of this surplus will be discussed with Members in 2025.

Part I Budget expenditure is below final budget by M€1.2. This is principally due to exceptional electricity costs being M€ 1.2 less than planned in 2024. Savings were made due to measures to reduce electricity consumption, warmer weather, and tax measures from the host country. Unspent

budget appropriations (M€ 1.2) will be returned to Members.

Part II shows a net result of M€ 17.2. This is attributable principally to those Part II Programmes who are authorised by Council to carry over part of their budgets as a smoothing mechanism for their future financing needs. Depending on each Programme, the Part II net results will either finance the 2025 budgets, be carried forward to 2025, and/or be returned to Members.

The pre-accession budget relates to Bulgaria, Croatia, Peru and Romania following the adoption of Accession Roadmaps on 10 June 2022, Argentina following the adoption of Accession roadmap on 26 March 2024, Indonesia following the adoption of Accession roadmap on 29 March 2024 and Thailand following the adoption of Accession Roadmap on 10 July 2024. Unspent

appropriations are carried forward to 2025 (cf. “*Note 1: General information*”).

The following schedule shows the original and final expenditure budgets as well as planned

expenditure on voluntary contributions, actual expenditure against the Budget and voluntary contributions, and the difference between the Budget and planned expenditure for Part I, by Output Group, and for Part II, by Programme.

Table 46. Resources and appropriations by Output and Programme

	Budget Amount		Voluntary Contributions	Total	Expenditure <sup>2</sup>			Difference:	
	Original Budget €'000	Final Budget €'000	Planned Expenditure €'000	Final Budget and Planned Expenditure €'000	Budget Actual €'000	Voluntary Contributions €'000	Total €'000	Budget & Planned and Expenditure €'000	
<b>Part I: Output Group</b>									
Economic Surveillance	25 074	25 074	9 795	34 869	25 074	6 697	31 771	3 098	
Industrial and Sectoral Policies	4 140	4 201	10 581	14 782	4 198	7 922	12 119	2 663	
Science and Technology Policies	8 985	9 057	15 729	24 787	9 367	13 096	22 462	2 324	
Human and Social Capital	5 016	5 016	18 346	23 362	5 016	13 247	18 263	5 099	
Employment Policies and Social Cohesion	7 673	7 973	15 101	23 074	7 972	12 559	20 531	2 543	
Environmental Sustainability	10 847	11 057	24 846	35 903	11 057	21 314	32 371	3 532	
Health System Performance	2 906	2 940	9 482	12 422	2 940	10 591	13 531	(1 109)	
International Trade	6 917	6 945	2 587	9 532	6 945	2 187	9 132	400	
Agriculture	8 119	8 119	415	8 534	8 119	1 566	9 685	(1 151)	
Taxation	8 814	8 814	23 993	32 807	8 929	20 942	29 872	2 935	
Business Climate	7 380	7 380	21 788	29 168	7 370	19 817	27 186	1 981	
Competition and Market Efficiency	5 715	5 715	8 253	13 968	5 715	7 479	13 195	773	
Public Sector Economics and Governance	8 831	8 803	71 316	80 119	8 803	68 378	77 182	2 938	
Development	6 384	6 384	27 509	33 893	6 384	25 847	32 230	1 662	
Global Relations	4 505	5 336	17 200	22 536	5 405	13 674	19 080	3 457	
Corporate Management	12 728	12 457	600	13 057	12 365	517	12 881	175	
Statistics	11 773	11 773	2 933	14 706	11 773	2 452	14 225	480	
Corporate Services	73 012	73 020		73 020	73 509	553	74 061	(1 041)	
Corporate Services – additional allocation for electricity	1 801	1 945		1 945	753	-	753	1 192	
Corporate Visibility	9 254	8 713		8 713	8 613	50	8 663	50	
2023 Commitments carried forward		14 188		14 188	13 410	-	13 410	778	
<b>Total Part I</b>	<b>229 874</b>	<b>244 909</b>	<b>280 474</b>	<b>525 383</b>	<b>243 718</b>	<b>248 887</b>	<b>492 604</b>	<b>-</b>	<b>32 779</b>
<b>Part I: Difference Final Budget and Actual</b>		<b>244 909</b>			<b>243 718</b>				<b>1 192</b>

	Budget	Voluntary Contributions		Total	Expenditure <sup>2</sup>			Difference: Budget & Planned and Expenditure €'000
	Original Budget €'000	Final Budget €'000	Planned Expenditure €'000	Final Budget and Planned Expenditure €'000	Budget Actual €'000	Voluntary Contributions €'000	Total €'000	
<b>Part II Programmes</b>								
International Energy Agency	32 653	34 281	43 571	77 852	34 281	39 963	74 244	3 608
Development Centre	6 874	6 953	11 633	18 587	6 910	10 254	17 164	1 423
The Sahel and West Africa Club	2 232	3 040	3 404	6 443	2 403	2 669	5 072	1 371
OECD Nuclear Energy Agency	12 815	13 368	6 149	19 517	13 368	6 280	19 648	( 131)
Nuclear Energy Agency Data Bank	3 604	3 722	372	4 094	3 722	129	3 851	243
Centre for Educational Research and Innovation	4 010	4 386	5 950	10 336	3 793	2 322	6 115	4 221
International Transport Forum	6 737	7 515	5 418	12 933	7 160	5 900	13 060	( 127)
Special Programme on the Control of Chemicals	2 066	2 180	1 365	3 545	2 153	1 810	3 963	( 418)
Steel	760	790	872	1 662	790	2 822	3 612	(1 950)
Co-operative Research Programme: Sustainable Agricultural and Food Systems <sup>1</sup>	750	1 183	-	1 183	1 029	-	1 029	154
Co-operative Action Programme on Local Economic and Employment Develop't	1 454	1 500	4 975	6 475	1 500	4 920	6 420	55
Programme for the International Assessment of Adult Competencies	4 045	5 452	1 871	7 323	3 878	258	4 136	3 187
Financial Action Task Force	9 517	9 689	5 340	15 028	9 371	4 492	13 863	1 165
OECD Global Science Forum	658	671	245	916	671	339	1 010	( 94)
Agricultural Codes and Schemes for International Trade	1 576	1 884	155	2 039	1 884	206	2 090	( 51)
Network on Fiscal Relations across Levels of Government	423	551	170	721	455	80	535	186
Shipbuilding	409	443	348	790	442	279	722	69
Global Forum on Transparency and Exchange of Information for Tax Purposes	5 602	8 506	7 100	15 607	6 583	7 964	14 547	1 060
Programme For Teaching And Learning International Survey	4 219	6 376	2 095	8 471	4 850	1 858	6 708	1 763
German Linguistic Section <sup>1</sup>	2 181	2 185	-	2 185	2 001	-	2 001	184
Italian Linguistic Section <sup>1</sup>	320	426	-	426	279	-	279	148
International Service for Remunerations and Pensions <sup>1</sup>	8 781	9 146	-	9 146	8 722	36	8 758	387
Reimbursable Posts <sup>1</sup>	3 212	3 212	-	3 212	2 995	-	2 995	217
Programme for International Student Assessment	7 103	11 721	8 276	19 996	6 981	9 584	16 564	3 432
<b>Total Part II</b>	<b>122 001</b>	<b>139 179</b>	<b>109 308</b>	<b>248 487</b>	<b>126 220</b>	<b>102 165</b>	<b>228 385</b>	<b>20 102</b>
<b>Part II: Difference Final Budget and Actual</b>		<b>139 179</b>			<b>126 220</b>			<b>12 959</b>
<b>Adjustments <sup>3</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 478</b>	<b>4 478</b>	<b>4 478</b>
<b>Total Part I and Part II</b>	<b>351 875</b>	<b>384 088</b>	<b>389 782</b>	<b>773 870</b>	<b>369 938</b>	<b>355 529</b>	<b>725 467</b>	<b>57 359</b>

1. These Part II Programmes did not include 'Planned Expenditure' financed by Voluntary Contributions in their 2024 Programme of Work and Budget.

2. For the Budget, actual expenditure relates to the sum of disbursements plus expenditure committed but not paid at closing that will be carried forward to the next financial period under Financial Regulation 10§1.

3. Accounting adjustments.

The budget execution and the accounting bases differ. The financial statements of the Organisation are prepared on an accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance. The budget execution is managed on a commitment basis by Output Group, Part II Programmes and Annex Budgets and on an accrual basis for the principal categories of revenue (assessed contributions and publication revenues). Commitments are defined in the Organisation's Financial Regulations as "part or all of an appropriation that is formally reserved for identified expenditure and/or to meet a legal obligation on behalf of the Organisation". The basis of the Budget may be considered to be on a "modified accrual basis".

**Table 47. Accounting basis - Budget vs Financial Statements**

	Budget execution	Financial statements
<b>Revenues:</b>		
Assessed contributions	Accrual	Accrual
Voluntary contributions	N/A	Accrual
Publications	Accrual	Accrual
Other income	Cash/Accrual	Cash/Accrual
Interest income	Accrual	Accrual
<b>Expenditures</b>	<b>Commitment</b>	<b>Accrual</b>

Note 25 provides a reconciliation between the budgetary results and the financial statements.

**Note 25: Reconciliation of budgetary results and results after IPSAS adjustments**

As a general principle, the budget execution is managed on a commitment basis for expenditures (as described in "Note 24: Organisation's Resources and Appropriations") and an accrual basis for revenues whereas the financial statements recognise all income and expenditure on an accrual basis in accordance with IPSAS. IPSAS give rise to accounting adjustments which in many cases may be of a non-cash nature. To reconcile the Budget outturn with the results after IPSAS adjustments, this fundamental difference needs to be taken into account. The most significant differences are as follows:

a) *Revenue and expenditure*: For the budget, revenue is required to cover all committed expenditures. In accrual accounting, revenue and expenses include only amounts accruing in a given year. The difference is treated as deferred revenue or expenses in accrual accounting.

b) *Capital expenditure*: For the budget, capital expenditures are recorded as current-year expenses. In accrual accounting, these expenses are capitalised as assets and depreciated over their useful lives. These capital expenditures and the associated accumulated depreciation result in assets being recorded at their net book value in the Statement of Financial Position. The annual depreciation expense is recorded in the Statement of Financial Performance.

c) *Pensions and post-employment healthcare*: For the budget, post-employment health care expenditure is accounted for on a pay-as-you-go basis. For pension benefits, the budget contributions are estimated on an actuarial basis to represent the long-term cost of the benefits provided. In addition to the normal budget contributions, Member countries provide supplementary pension budget contributions to meet unfunded past service costs.

In accrual accounting, the expense for both pensions and post-employment health cover is estimated by an actuary in accordance with a methodology set out in accounting standard IPSAS 39. The pension and post-employment health cover benefits obligations are reported in the Statement of Financial Position as detailed in "Note 17: Employee benefits".

The following Table 48 shows the budgetary results reconciled with the results after IPSAS adjustments for the period as reported in the Statement of Financial Performance.

**Table 48. Reconciliation of budgetary and accounting results**

	Budgetary results to be allocated (1)	Transfer to reserves and carry-forward to 2025 (2)	Results for the period (3) = (1) + (2)	IPSAS adjustments (4)	Nature of reconciling adjustments	Net results for the period (3) + (4)
	€'000	€'000	€'000	€'000		€'000
Part I	12 206	-	12 206	5 209	a	17 415
Part II	17 197	-	17 197	(1 772)	a	15 425
Annex budgets	2 119	-	2 119	(203)	a	1 916
Pre-Accession budgets	11 544	(11 544)	-	-	-	-
Post-Accession budget	-	-	-	-	-	-
Fixed fees from post-2017 Members	5	-	5	-	-	5
<b>Subtotal - Budget operations</b>	<b>43 071</b>	<b>(11 544)</b>	<b>31 527</b>	<b>3 234</b>	<b>-</b>	<b>34 761</b>
Non-budgetary operations	-	3 731	3 731	2 330	-	6 061
Pension Budget and Reserve Fund (PBRF)	-	177 827	177 827	-	-	177 827
Post-Employment Healthcare Liability Reserve (PEHLR)	-	34 045	34 045	-	-	34 045
<b>Subtotal - Other operations</b>	<b>-</b>	<b>215 603</b>	<b>215 603</b>	<b>2 330</b>	<b>-</b>	<b>217 932</b>
Change in employee defined benefit liabilities - Pensions	-	-	-	(86 996)	c	(86 996)
Change in employee defined benefit liabilities - Healthcare	-	-	-	(21 145)	c	(21 145)
Adjustments for fixed assets	-	-	-	(19 438)	b	(19 438)
<b>Subtotal - Accounting adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(127 579)</b>	<b>-</b>	<b>(127 579)</b>
<b>Net result for the period</b>	<b>43 071</b>	<b>204 059</b>	<b>247 130</b>	<b>(122 015)</b>	<b>-</b>	<b>125 115</b>

The most significant of the IPSAS adjustments relates to changes in employee defined benefit liabilities. These changes are the sum of the annual current service cost and interest cost less the benefits paid. These are detailed in “*Note 17: Employee benefits*”.

#### Note 26: Proposed allocation of the results for the period

Subject to approval by Council, the results for 2024 will be allocated as presented in the *Table 49*.

In 2024 the Council decided to reallocate amounts corresponding to assessed contributions due from the Russian Federation and Belarus for five Part II programmes (totalling K€ 552) into dedicated reserves, as these contributions have not been received. This measure has ensured that assessed contributions due from Russian Federation and Belarus are segregated, and that associated budgetary reporting gives an accurate image of the financial situation of these Part II Programmes. This is shown in *Table 49*.

Table 49. Proposed allocation of net results

	2024	Proposed treatment of the results	
	Net results for the period	Transfer to reserves, long-term commitments and accumulated surplus / (deficit)	Budgetary net results to be allocated, transferred or carried forward
	€'000	€'000	€'000
Part I	12 206	-	12 206
Part II	17 197	-	17 197
Annex budget	2 119	-	2 119
Pre-Accession budgets	-	-	-
Post-Accession budget	-	-	-
Fixed fees from post-2017 Members	5	-	5
<b>Subtotal 1 - Budgetary results</b>	<b>31 527</b>	<b>-</b>	<b>31 527</b>
Pension Budget and Reserve Fund (PBRF)	177 827	177 827	-
Post-Employment Healthcare Liability Reserve (PEHL)	34 045	34 045	-
CIBRF - Class 1	44	44	-
CIBRF - Class 2	(1 870)	(1 870)	-
CIBRF - Class 3	(478)	(478)	-
Indemnity and Benefits Fund (IBF)	4 789	4 789	-
Exchange differences – realised	338	338	-
Part II – IEA Reserve	(37)	(37)	-
Part II - IEA - Loss of Employment	393	393	-
Part II – Codes and Schemes/Seeds dedicated reserve	55	55	-
Part II – Codes and Schemes/Tractors dedicated reserve	44	44	-
Part II – Global Forum on Transparency and Exchange of Information dedicated reserve	292	292	-
Part II – Programme for Teaching and Learning International Survey dedicated reserve	82	82	-
Part II – Steel dedicated reserve	79	79	-
<b>Subtotal 2 - Results associated with Reserves</b>	<b>215 603</b>	<b>215 603</b>	<b>-</b>
Pension benefits liability	(86 996)	(86 996)	-
Post-employment healthcare liability	(21 145)	(21 145)	-
<b>Subtotal 3 - Long-term commitments - IPSAS adjustments</b>	<b>(108 141)</b>	<b>(108 141)</b>	<b>-</b>
<b>Other IPSAS adjustments</b>			
Included in Part I	5 209	5 209	-
Included in Part II	(1 772)	(1 772)	-
Included in Annex budgets	(203)	(203)	-
Included in Non-budgetary operations	2 330	2 330	-
Adjustments for fixed assets	(19 438)	(19 438)	-
<b>Subtotal 4 - Other IPSAS adjustments</b>	<b>(13 874)</b>	<b>(13 874)</b>	<b>-</b>
<b>Net result for the period</b>	<b>125 115</b>	<b>93 588</b>	<b>31 527</b>

\* Based on Council decisions for automatic carry forward authorisation in some Part II Programme mandates or subject to specific Council decisions to be made in 2025, K€ 10 813 and K€ 13 663 of the 2024 Part II and Annex Budgets net results respectively are carried forward to 2025. This is in addition to appropriations already included in the Organisation's 2025 Budget as "funding from prior years carry-forwards".

\*\* See Note 19: Member countries' contributed interest and reserves

## Note 27: Contingencies and capital commitments

### A. Contingencies

At 31 December 2024, an amount of M€ 33.7 of voluntary contribution transfers were subject to governmental approval (2023: M€ 34.3) (cf. “Note 6: Accounts receivable and prepayments”). All of these voluntary contributions have been concluded with donors and formally accepted by the Organisation to fund its Programme of Work.

The Organisation is or may be a party to a limited number of legal proceedings or technical disputes. Management believes that the liabilities or assets that might result from these litigations or disputes will not be material in relation to the Organisation’s operations or financial position.

Following discussions between the Organisation and the Member country in regard to the provisions noted in “Note 16: Provisions for liabilities and charges”, a sustainable solution has been found going forward.

In 2002, the Organisation set up an early retirement scheme for a closed group of employees that had been exposed to an asbestos risk. The scheme allows these employees to request early retirement if they are over 50 and less than 60 years of age, provided they meet certain conditions as to their job duties and medical condition. At 31 December 2024, no employee was receiving early retirement payments under the scheme. In the unlikely event that the last remaining eligible employee applied for benefits under the scheme, the maximum amount payable by the Organisation would be approximately M€ 0.4 over the period to June 2031.

Following a call for tender, the Organisation renewed its insurance contract for medical and other benefits for a period of five years from 1 January 2021 to 31 December 2025, with Malakoff Médéric (“the Insurer”), to cover payments of medical expenses, salary for long term sick leave, lump sum payments for death or permanent disability for any cause, and lump sum payments for death and permanent disability (partial or total) related to an accident at work or work-related illness.

This contract includes a provision under which the difference between the premiums due to the Insurer and the amounts paid out in claims each year is transferred by the Insurer to an equalisation provision, which is available to manage risk in respect of the events described above, thereby allowing premiums to be lower than would be the case had the provision not existed. The equalisation provision was re-established at M€ 5 at the start of the current contract.

### B. Capital commitments

#### a) Operating lease commitments

Future minimum lease payments for the following periods are:

**Table 50. Operating lease commitments**

	31 December 2024 € million	31 December 2023 € million
Within one year	25	28
In the second to fifth years inclusive	50	77
After five years	5	8
<b>Total operating lease commitments</b>	<b>80</b>	<b>113</b>

Operating lease payments represent rental payments for certain properties. The decrease in the total value of lease payments as at 31 December 2024 can primarily be attributed to the end dates of the leases for OECD Boulogne and the IEA’s premises moving one year closer.

#### b) Bank guarantees

The Organisation’s obligations to lessors of certain office premises are guaranteed by banks for a maximum of M€ 5.4. The guarantees are for obligations under leases for offices and parking for periods up to 16 August 2031.

### C. Pensions

The Organisation’s first defined-benefit Pension Scheme (COPS) was adopted by a Council Resolution of 16 November 1976 [C/M(76)20/FINAL]. The Council adopted a second defined-benefit Pension Scheme on 27 September 2001 [[C\(2000\)221](#)] and [C/M\(2001\)18/PROV](#), item 306]. These acts constitute decisions that are binding upon the

Organisation and its Member countries by virtue of Articles 5 a) of the Convention on the Organisation and 18 a) of its Rules of Procedure. This creates both a legal obligation for the Organisation towards pensioners and staff and an offsetting legal obligation for the Member countries, with the same full legal force as the treaty from which it derives, to contribute amounts needed to pay pensions. Article 40 of both defined-benefit Pension Schemes confirms that pensions are a charge on the Organisation's Budget and provides a joint guarantee of that liability by each of its Member countries. That guarantee is equivalent in amount to the accrued pension obligation at 31 December 2024 of M€ 3 294 (2023: M€ 3 411), as shown in "Note 17: Employee benefits".

The 1976 Council Resolution of the Organisation adopted the first defined-benefit Pension Scheme for staff in service as of 1 July 1974. At this time, no dedicated capital funding mechanism was established towards the liabilities generated by staff service under the Pension Scheme, initiating an unfunded liability. In addition, under Article 44 of the Pension Scheme rules, staff whose service began prior to 1 July 1974 were given the option to surrender their holding in the Staff Provident Fund (the defined-contributions scheme in operation since 1957) in exchange for credit for past service under the Pension Scheme. In 1979, the Council agreed that such Provident Fund assets corresponding to the cost of validating past service under Article 44 of the Pension Scheme Rules, as well as accrued interest, be transferred to Member countries, creating additional unfunded liabilities in respect of this past service.

In the period up to 2000, pension payments were financed by the Organisation's Budget on a "pay as you go" basis. During this time, staff service every year created additional unfunded pension liabilities, with no funding put aside in a dedicated reserve. To address this, since 2000 the Member countries participate in the constitution of a fund (Pension Budget and Reserve Fund) towards both the historical liability (pre-2000) and new liabilities resulting from staff in service every year (2000 onwards). The net assets of the Fund at 31 December 2024 were M€ 1 364.4 (2023: M€ 1 186.7).

## Note 28: Contributions-in-kind

### Staff-on-loan

Experts are sometimes made available to the OECD without charge mainly from Member governments as a way of increasing mutual co-operation and technical competence. As at 31 December 2024, there were 185 staff on loan at the OECD (2023: 160).

### Premises

The OECD receives in-kind contributions of the right to use office space and other facilities in the execution of its Programme of Work. The Organisation has not received title to these properties which remain with the government providing the rights to use. The financial value of these facilities is not recognised in the Statement of Financial Position nor has the annual right to use been recognised in the Statement of Financial Performance.

The major contributions representing the right to use facilities are as follows:

- The Mexico Centre serves as a liaison office for the Latin America Regional Programme to support the take-up of the OECD standards and good practices by non-members. The premises are provided by the Mexican government (Ministry of Education).
- The OECD-Korea Policy Centre focuses on the following: Competition, Health and Social Policy, Public Governance and Taxation. The premises and facilities are provided by the Korean government.
- The OECD LEED Trento Centre for local development in Italy builds capacities for local development by facilitating co-operation, the transfer of expertise and the exchange of experience between OECD Members and partner countries. Facilities are provided by the Autonomous Province of Trento.
- Multilateral Tax Centres (MTCs) are established in Budapest, Vienna, Ankara, Mexico and Yangzhou as fora for dialogue between OECD countries and partners on tax matters. In all cases, the physical facilities are provided free of charge by the respective

- governments. In addition, three centres for the OECD International Academy for Tax and Financial Crime Investigation have been established. One centre is based in Ostia, Italy, in facilities provided by the Italian Guardia de Finanza, the second in Buenos Aires, Argentina, in facilities provided by Argentina's Federal Administration of Public Revenues, and the third centre is based in Wako, Japan, in facilities provided by the National Tax Agency of Japan.
- The OECD Istanbul Centre provides a platform for fostering international co-operation and high-level policy dialogue, supporting the Organisation's regional initiatives. The Centre is hosted in the premises of the Istanbul Chamber of Industry and financed by Türkiye.
  - The OECD has one official stationed in Beijing to support the Organisation's co-operation with China. Office facilities are provided by the Embassy of the Netherlands.
  - Some competition-related activities have been organised in Regional Centres for Competition (RCCs). There are currently two RCCs. One centre is in Budapest, whose office space is provided by the Hungarian Competition Authority. Another centre is hosted by the Peruvian Competition Authority in Lima.
  - The OECD Training Centre of on Public Governance of Caserta, Italy promotes the development of the public sector, shares knowledge and expertise, disseminates standards of good governance and bolsters OECD external engagement at a low cost. The Italian National School of Administration provides office space and all operating and training facilities at its premises in Caserta to accommodate the personnel dedicated to the functioning and administration of the Centre.
  - The OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean in Rio de Janeiro has been established to promote efficient financial education, through a range of activities including meetings, surveys, mutual learning through peer reviews, and research. The

premises are provided by the Securities and Exchange Commission of Brazil.

- The Financial Action Task Force (FATF) Training and Research Institute in Busan, Korea has been established to provide capacity-building and knowledge-sharing programmes to combat money laundering and terrorist financing. The premises are provided by the Metropolitan City of Busan.
- The OECD-Ukraine Liaison Office in Kyiv to support the Organisation's cooperation with Ukraine. THE OECD has two officials and a staff on loan who rotate in and out of Kyiv. Office facilities are temporarily provided by the Slovak Republic.

#### Note 29: Key management personnel

The Organisation is governed by a Council composed of representatives of all the Member countries. The Organisation is under the direct control of the Member countries. It has no ownership interest in associations or joint ventures. Council Members receive no remuneration from the OECD for their roles.

The Council is presided over by the Secretary-General, who directs the Secretariat and implements the Organisation's Programme of Work, assisted by Deputy Secretaries-General and other senior managers and officers (key management personnel). They are remunerated by the Organisation. The Secretary-General also has the use of the Organisation's official residence.

Key management personnel (in FTE - full time equivalent) and their aggregate remuneration were as follows:

**Table 51. Key management personnel remuneration**

	2024	2023
<b>Numbers in FTE</b>		
• The Secretary-General, Deputies and other senior managers	6	6
• Senior officers	26	25
<b>Total</b>	<b>32</b>	<b>31</b>
<b>Remuneration</b>	<b>€'000</b>	<b>€'000</b>
<b>Emoluments:</b>		
• The Secretary-General, Deputies and other senior managers	2 039	2 018
• Senior officers	7 811	7 589
<b>Subtotal</b>	<b>9 850</b>	<b>9 607</b>
<b>Leaving allowances (pensions):</b>		
• The Secretary-General, Deputies and other senior managers	-	-
• Senior officers	62	-
<b>Subtotal</b>	<b>62</b>	<b>-</b>
<b>Aggregate remuneration:</b>		
• The Secretary-General, Deputies and other senior managers	2 039	2 018
• Senior officers	7 873	7 589
<b>Total</b>	<b>9 912</b>	<b>9 607</b>

*Leaving allowances* represent a lump-sum settlement of pension benefits to staff who have left the Organisation before having completed ten years' service, paid in accordance with the Staff Rules.

There was no other remuneration or compensation to key management personnel or their close family members.

### Note 30: Related-party transactions

There were no material transactions with related parties during the years 2024 and 2023.

There were no loans to key management personnel or their close family members that were not available to other categories of staff.

### Note 31: Events after the reporting date

The Organisation accepts voluntary contributions to fund its Programme of Work. After the reporting date, certain donors from one Member government issued unilateral notices for suspension or termination of specific work funded by their voluntary contributions. A high proportion (81%) of funding for these voluntary contributions had already been received by the Organisation.

The situation for each of these voluntary contributions has been reviewed on a case-by-case basis in line with the terms of the relevant funding agreements with the donor with the aim of minimising financial exposure.

## GLOSSARY

**BFMP:** Budget and Financial Management Programme

**CIBRF:** Capital Investment Budget Reserve Fund

**COPS:** The Co-ordinated Organisations Pension Scheme

**CVM:** Centre on financial Education and Literacy

**EONIA:** Euro Over Night Index Average

**EURIBOR:** Euro Interbank Offered Rate

**€STER:** Euro Short Term Rate

**FATF:** Financial Action Task Force

**IAS:** International Accounting Standards

**IASB:** International Accounting Standards Board

**IBF:** Indemnities and Benefits Fund

**IEA:** International Energy Agency

**IFRS:** International Financial Reporting Standards

**INTOSAI:** International Organisation of Supreme Audit Institutions

**IPSAS:** International Public Sector Accounting Standards

**IPSASB:** International Public Sector Accounting Standards Board

**ISRP:** International Service for Remunerations and Pensions

**ISSAI:** International Standards of Supreme Audit Institutions

**MTCs:** Multilateral Tax Centres

**NPS:** New Pension Scheme

**PBRF:** Pension Budget and Reserve Fund

**PEHLR:** Post-Employment Healthcare Liability Reserve

**PERF:** Post-Employment Reserve Fund

**PWB:** Programme of Work and Budget

**RCCs:** Regional Centres for Competition

**SAA:** Strategic Asset Allocation

**SAI:** Supreme Audit Institution