



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
105th Session
Provisional agenda item 7.4

EB105/23
30 November 1999

Casual income

Report by the Director-General

ESTIMATED CASUAL INCOME AVAILABLE AS AT 31 DECEMBER 1999

1. Pursuant to Article 7.1 of the Financial Regulations, this account is credited with miscellaneous income arising from interest on funds deposited with banks, the sale of equipment and other property, exchange differential and other sundry revenues, including income from the operation of the underground garage at headquarters. Pursuant to Article IV of the Financial Regulations, the account is also credited with the unobligated balances of appropriations remaining at the end of the financial period when such balances become cash for credit to casual income, and as outstanding assessed contributions to the regular budget for the past financial periods are paid.
2. The Annex to this report shows the amounts of casual income available at year-end during the period 1995 to 1999 and the amounts used for the regular budget and other purposes. The amount indicated as the balance available as at 31 December 1999 is a tentative estimate; the actual amount at that date will be known only after completion in March 2000 of the financial report of the Organization for the biennium 1998-1999. The 1998-1999 financial report will be submitted to the Fifty-third World Health Assembly in May 2000.
3. Under the exchange rate facility and in accordance with Financial Regulation 4.6 and the appropriation resolution for 1998-1999 (resolution WHA50.25), additional costs or savings in the implementation of the current regular budget, on account of the currencies of the countries of location of the regional offices and headquarters, will be charged or credited to casual income. The operation of this facility for 1999 is expected to generate a net income of about US\$ 5 million.
4. The depletion of the Working Capital Fund continues to be of much concern. Since 1994-1995 this account has not been fully restored to its authorized level of US\$ 31 million and has not been functioning as originally expected by the Health Assembly. The situation concerning collection of assessed contributions has not shown any improvement, and the Working Capital Fund will continue to be fully exhausted unless new measures are taken. One of the causes of the depletion of the Working Capital Fund is the application of payments of arrears of contributions by Member States. Unless arrears of contributions received can be directly identified to drawings under the Working Capital Fund corresponding to the biennium for which they both relate, arrears received are credited to casual income. This has had the effect of increasing the amount available for appropriation from casual income at the expense of replenishing the Working Capital Fund. This matter will be addressed as part of the proposals to reform the Financial Regulations and Rules.

5. Based on current information it is estimated that at the end of the biennium on 31 December 1999, a balance of US\$ 21.7 million will be available for appropriation by the Fifty-third World Health Assembly in May 2000.

	US \$	US \$
Balance carried forward from 31 December 1997		30 148 404
Add: Estimated casual income for 1998-1999		
Surplus from Real Estate Fund (resolution WHA52.15)	2 049 000	
Exchange rate savings 1998-1999	5 000 000	
Collection of arrears of contributions	10 194 040	
Assessments on formerly inactive Members	48 280	
Interest earned	4 500 000	
Refunds and rebates	500 000	
Sale of equipment	175 000	
Savings on unliquidated obligations	17 000 000	
Revenue from Swiss Postal Authority	1 956	
Surplus from Revolving Sales Fund	1 300 000	
Underground parking	350 000	41 118 276
		<u>71 266 680</u>
Less: Amounts appropriated during 1998-1999		
Net amount of casual income available from 1996-1997 returned to Member States, applied to their assessments for 1998-1999 (resolution WHA50.25)	16 256 760	
Balance of casual income returned to Member States in accordance with Financial Regulation 5.2 (resolution WHA52.20)	2 765 347	
Appropriation for priority programmes:		
Malaria (resolution WHA48.32)	10 000 000	
Eradication of poliomyelitis, Roll Back Malaria, Stop Tuberculosis Initiative, Initiative on HIV/AIDS and Sexually Transmitted Infections, Tobacco Free Initiative (resolution WHA52.20)	15 000 000	
Financial incentive scheme 2002-2003 (resolution WHA52.20)	5 555 567	49 577 674
Estimated balance as at 31 December 1999, available for appropriation		<u><u>21 689 006</u></u>

6. After setting aside the interest earnings credited to casual income for the incentive scheme (resolution WHA41.12) to be apportioned among Members, the Executive Board may wish to consider various options and subsequently recommend to the Fifty-third World Health Assembly appropriate use of the available funds of casual income. These options are:

- (a) to appropriate US\$ 2 142 000 to finance the Real Estate Fund;
- (b) to replenish the Working Capital Fund by US\$ 10 194 040, an amount equivalent to the arrears of contributions credited to casual income, thus reflecting the proposed change in accounting treatment referred to in paragraph 4 above;
- (c) to return the balance of available casual income to Members to part finance contributions to the regular budget;
- (d) to make the funds available for priority programme activities;
- (e) to make the funds available for a combination of the four proposals above.

ACTION BY THE EXECUTIVE BOARD

7. The Executive Board may wish to consider the following draft resolution. The actual amounts will be decided upon by the Fifty-third World Health Assembly in May 2000 on the basis of the final figures as shown in the financial report of the Organization for the financial period 1998-1999.

The Executive Board,

Having considered the report of the Director-General on casual income,¹

RECOMMENDS to the Fifty-third World Health Assembly the adoption of the following resolution:

The Fifty-third World Health Assembly

DECIDES that the estimated amount available in casual income as at 31 December 1999 should be used:

¹ Document EB105/23.

	US \$
(i) to part finance the 2002-2003 regular budget to be apportioned among Member States in accordance with the financial incentive scheme (resolution WHA41.12) from the estimated interest earnings in 1999	2 836 073
(ii) to finance the Real Estate Fund in accordance with proposals contained in document EB105/24	2 142 000
(iii) to replenish the Working Capital Fund by the amount of arrears of contributions credited to casual income	10 194 040
(iv) to return the balance to Member States in 2000 to apply against their regular budget assessments	6 516 893
	<u>21 689 006</u>

ANNEX

CASUAL INCOME, 1995-1999
(US dollars)

Year	Balance 1 January	Appropriated or utilized for		Casual income received during the year	Balance at 31 December
		Regular budget	for biennium		
(1)	(2)	(3)		(4)	(6)
1995	18 638 332	10 947 000	1996-1997	29 073 552	19 702 262
1996	19 702 262	-	-	9 269 000	29 467 019
1997	29 467 019	12 617 000	1998-1999	(684 427)	30 148 404
1998	30 148 404	16 256 760	1998-1999	8 130 709	23 320 914
1999	23 320 914	2 765 347	1998-1999	9 820 291 ^b	21 689 006 ^b
		5 555 567	2002-2003		

^a Details of funds appropriated or utilized for other purposes as shown below:

Year	Real Estate Fund	Programmes financed by appropriation from casual income	Transfer to Working Capital Fund (resolutions WHA47.20 and WHA48.21)	Usage of exchange rate facility (Financial Regulation 4.6)	Total column 4 above
1995	7 691 000	-	7 918 252	13 464 300	29 073 552
1996	-	10 000 000 ¹	5 000 000	(5 731 000)	9 269 000
1997	10 705 000	6 145 000 ²	-	(17 534 471) ³	(684 427)
1998	-	10 000 000 ¹	-	(1 869 291)	8 170 709
1999	(2 049 000) ⁴	15 000 000 ⁵	-	(3 130 709) ^b	9 820 291 ^b

¹ US\$ 20 000 000 for malaria control activities in Africa (resolution WHA48.32).

² US\$ 6 145 000 for WHO worldwide management information system (resolution WHA50.24).

³ Net savings surrendered to casual income in respect of exchange rate facility in 1996-1997 was US\$ 23 266 100.

⁴ Surplus transferred to casual income (resolution WHA52.15).

⁵ US\$ 15 000 000 for high priority programmes, including eradication of poliomyelitis, Roll Back Malaria, Stop Tuberculosis Initiative, Initiative on HIV/AIDS and Sexually Transmitted Infections, and Tobacco Free Initiative, applied appropriately and in a balanced manner (resolution WHA52.20).

^b Estimated.