

Unaudited Interim Financial Report for the year 2010

Financial period 2010-2011

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Introduction

The Report provides information to Member States and other partners about the sources, allocation and uses of financial resources and helps to measure the financial implementation of the approved programme budget. The Report covers the total effective budget under all sources of funds, assessed and voluntary contributions, of US\$ 4540 million as noted by the Sixty second World Health Assembly in resolution WHA62.9. Further analysis of the use of funds is available in document A64/5, which describes the first year of the implementation of the Programme budget 2010–2011.

Details are also provided about the assets and liabilities of the Organization, together with cash flow and equity, which gives a complete picture of the financial position of the Organization as at 31 December 2010.

The Financial Report is submitted in accordance with Article 34 of the Constitution and Financial Regulation XIII. The financial statements, accounting policies and notes to the accounts have been prepared in compliance with WHO's Financial Regulations and Financial Rules and the United Nations System Accounting Standards.

Consistent with the WHO Financial Regulations and Rules these financial statements are unaudited. The External Auditor is required to express an opinion only at the end of the biennium.

I. Financial highlights

Total operating revenue for 2010 was US\$ 2323 million (figure for the biennium 2008–2009: US\$ 3759 million). Consolidated operating revenue represents assessed contributions from Member States, voluntary contributions from donors, contributions in kind and in services and other sources of income. Operating revenue covers both the programmatic activities as defined by the programme budget and non-programmatic activities. In 2010, US\$ 2209 million related specifically to programme activities as defined in the programme budget (see Table 1 below). A further US\$ 114 million related to non-programme work, such as WHO partnerships outside the programme budget, reimbursable procurement and sales of publications. Operating expenses for the same period totaled US\$ 2078 million (figure for the biennium 2008–2009: US\$ 3941 million), of which US\$ 1945 million related to expenditure for the programme budget. Taking into consideration financial income of US\$ 42 million for 2010 (primarily interest earnings), the overall recorded surplus (revenue less expenses) carried forward to 2011 was US\$ 287 million.

Table 1. Financial highlights
(US\$ million)

	<i>Programme activities (General Fund)</i>	<i>Non-programme activities¹</i>	<i>Total 2010</i>	<i>Total 2008–2009</i>
Operating revenue	2209	114	2323	3759
Operating expense	(1945)	(133)	(2078)	(3941)
Transfers	(33)	33	0	0
Financial revenue	10	32	42	81
Surplus/(Deficit)	241	46	287	(101)

Operating revenue includes amounts due in 2010 for voluntary contributions and assessed contributions payable by Member States in 2010. Of this revenue, amounts not collected as at 31 December 2010 totalled US\$ 609 million, of which US\$ 521 million was for voluntary contributions and US\$ 87 million for assessed contributions (see Note 5.2). Taking into consideration

¹ Represents activity for special purpose fund, enterprise fund and fiduciary fund.

the uncollected amounts for voluntary contributions, the reported income to expense “surplus” of US\$ 287 million represents a deficit of US\$ 234 million on a “cash” basis.

The total effective programme budget for 2010–2011 under all sources of funds is US\$ 4540 million. Actual budget utilization for 2010 was US\$ 2000 million (composed of US\$ 1862 million of expenses plus US\$ 138 million of encumbrances). Details of budget implementation by strategic objective are included in Schedule 2.

Expenditure was financed through a combination of assessed contributions, Member States’ non-assessed income (formerly referred to as “miscellaneous income”), voluntary contributions, and prior biennium carry forward, as shown below:

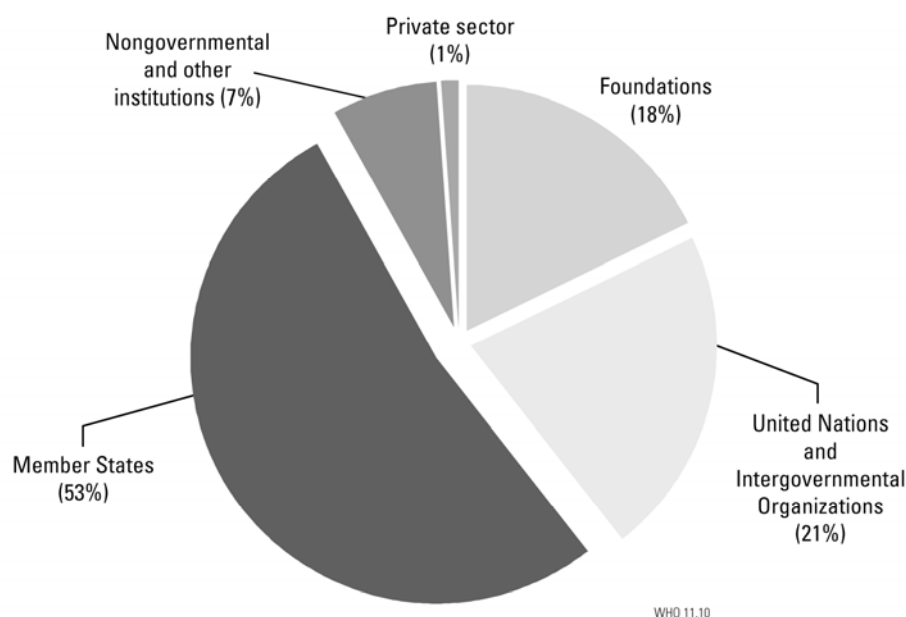
Table 2. Financing summary
(US\$ million)

	Total 2010	Total 2008–2009
Beginning balance carry forward (accumulated surplus)	1543	1644
Total revenue current biennium	2323	3759
Total expense current biennium	(2078)	(3941)
Financial revenue, net	42	81
Excess expense over revenue	287	(101)
Ending balance carry forward (accumulated surplus)	1829	1543

The carry forward at 31 December 2010 represents voluntary contributions recorded in 2010 or before, to be used for programme implementation in 2011, or later. This will therefore be used to pay for known commitments for staff salaries and payments to external contractors, as well as for other future planned work.

Income in 2010. Voluntary contributions (both cash and firm commitments) were US\$ 1565 million with a further amount of US\$ 139 million for contributions in kind and in services, which are reported separately. Member States continued to be the largest source of voluntary contributions, contributing 53% of the total non-assessed (voluntary) budget. Income from the United Nations and intergovernmental organizations was 21%, foundations (18%), nongovernmental organizations and other institutions (7%), and private sector donations (1%) accounted for the remaining voluntary contributions to the Organization.

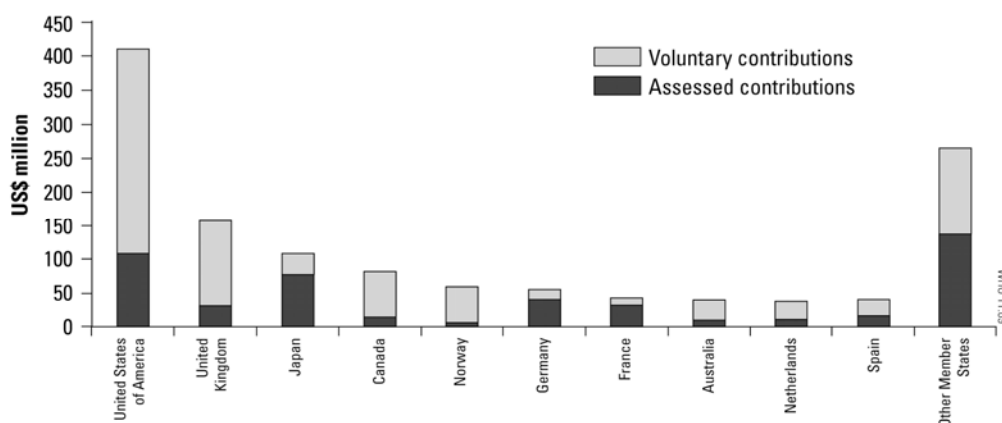
Figure 1. Sources of voluntary contributions



The US\$ 1565 million voluntary contributions recorded in 2010 represented almost 2000 individual contributions, ranging in value from US\$ 500 to US\$ 150 million. Many of these contributions are highly specified – often to individual projects and with differing conditionalities and reporting requirements within planned results. Full details of all recorded voluntary contributions in 2010 are contained in the Annex (document A64/29 Add.1).

Total contributions by Member States (voluntary contributions and assessed contributions) were US\$ 1303 million. The 10 largest contributions from Member States are summarized below.

Figure 2. Contributions from Member States 2010-2011
(US\$ million)



Member States' non-assessed income was US\$ 143 million. The Health Assembly has resolved to appropriate the following amounts from this fund in respect of the current financial period: US\$ 15 million for the regular budget (resolution WHA62.9); US\$ 22 million for the Real Estate Fund (resolution WHA63.7); and US\$ 10 million for the Security Fund (resolution WHA63.6). Following these appropriations, and after repayment of working capital and internal borrowings, there was a net negative movement on this account of US\$ 15 million (see Note 6.2 for details). The major source of this income was the collection of arrears of assessed contributions, which continues to be very positive, added to the continued good rate of collection of current biennium assessed contributions. The closing balance on this account was US\$ 17 million.

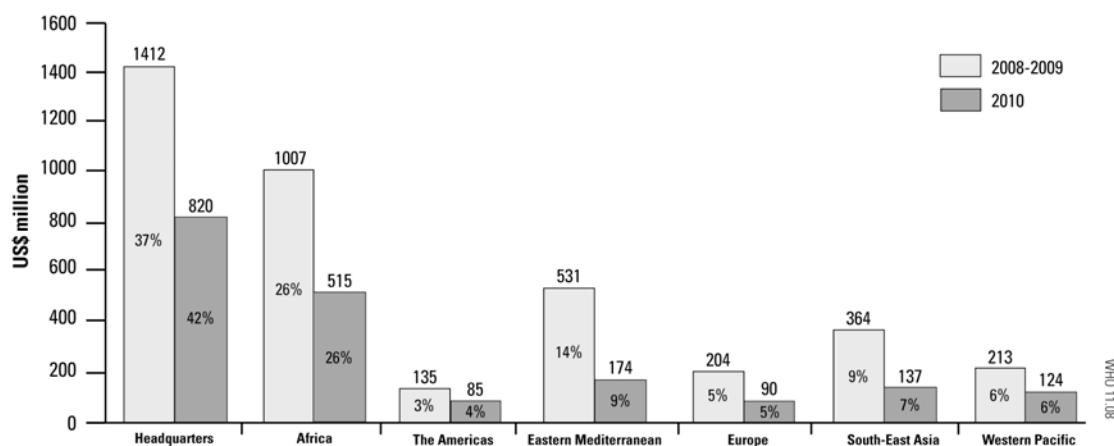
Expenditure in 2010–2011. Total expenditure was US\$ 2078 million, of which US\$ 1862 million was for the Programme budget 2010–2011 and US\$ 75 million was recognized in 2010 for the Programme budget 2008–2009. Details of expenditure by cost category and offices, and by strategic objective, are shown in Schedules 1 to 4. The share of overall expenditure by office (shown below in Figure 3) was largely unchanged from the period 2008–2009. Headquarters' share was 42% and the regions' share was 58%.

Globally, salaries are the largest expense category and represent 45% of the total of the General Fund. The percentage spent on salaries at headquarters is even higher, at 52%, largely due to the strengthening of the Swiss franc in recent years.

Travel constitutes 8% of WHO expenditures, being US\$ 162 million in 2010 (of which US\$ 148 million was for WHO programmes). Of this amount approximately 46% relates to staff travel and 54% for the travel costs of participants in meetings and advisors (delegates of Member

States and non-Secretariat personnel). A major initiative was introduced in 2010 to control travel expenditure for the remainder of the biennium, and this will be reported upon in the final report for the full biennium.

Figure 3. Expenditure by headquarters and regional offices
(US\$ million)



The second- and third-largest expense categories are direct financial cooperation at 14% and contractual services at 14%. Direct Financial Cooperation expense represents work done by national counterparts (mainly health ministries) in cooperation with WHO for the achievement of activities as broadly defined by the programme budget and negotiated between Regional Offices and respective counterparts. The contractual services category represents the costs of contracts given to experts and service providers who aid the Organization in achieving its planned objectives. The category of general operating expenses (5%) reflects WHO running costs, including utilities and other office costs mainly at the local levels.

II. Assets

Total cash and cash equivalents at the end of the period were US\$ 361 million with a further US\$ 2293 million held in investments. The investments are primarily short term in order to ensure that cash is available for programmatic needs. Some funds for longer-term liabilities are invested in securities in accordance with the recommendations of the Advisory Investment Committee. After adjustments to reduce the carry-forward balance of US\$ 1829 million in respect of non-assessed accounts receivable (US\$ 521 million) and undistributed exchange differences (US\$ 3 million) and to reflect an increase in respect of contributions received in advance (US\$ 60 million) the total cash and cash equivalents balance available for WHO's programmatic activities was US\$ 1365 million. US\$ 600 million was cash held in WHO's accounts on behalf of other entities – the African Programme for Onchocerciasis Control, UNAIDS, the International Drug Purchase Facility (UNITAID) and the International Computing Centre – under administrative agreements. A further US\$ 501 million was cash and investments for the Staff Health Insurance Fund with US\$ 154 million for other WHO liabilities.

Despite the continued very low interest rates, (barely above zero for the benchmark US dollar rate), a modest positive investment performance was achieved, amounting to US\$ 42 million of financial revenue after accounting for foreign exchange gains and losses.

The figure for accounts receivable represents amounts due from Member States for assessed contributions and from donors for voluntary contributions. The total receivable for assessed contributions, including rescheduled payments, amounted to US\$ 87 million; this is down significantly from the level of US\$ 191 million as at 31 December 2009, following the receipt of several large payments during 2010. The rate of collection of assessed contributions for 2010 was 93% (see document A64/31 for details).

For voluntary contributions, the amount receivable as at 31 December 2010 was US\$ 515 million (US\$ 404 million at 31 December 2009). The increase is due to many new contributions pledged in 2010 but not yet paid and a large proportion of voluntary contributions based on reimbursement after expenditure. As noted above, this has had a negative impact on WHO's cash flow.

III. Liabilities

The total value of Member States' contributions received in advance was US\$ 47 million (see Note 5.8). These advances will be applied as income in 2011. As in past financial periods, WHO has created a full provision of US\$ 87 million related to all outstanding assessments from Member States as at 31 December 2010, a significant reduction due to good arrears collections in 2010.

Based on the latest actuarial projections, the balances for accrued staff benefits of US\$ 52 million as at 31 December 2010 is not considered sufficient to settle all current and future costs for staff entitlements for home leave, repatriation travel, education grant and removal on repatriation. The latest actuarial valuation of the accrued staff benefits (terminal payments) showed a potential unfunded liability of US\$ 90 million.

IV. Conclusion

Programme expenditure reached an unprecedented level for the first year of a biennium, at US\$ 1900 million. The full implementation of the Global Management System is an important step in the further improvement of the integration of the programme budget with programme implementation and results. It also enables better management of the Organization's resourcing arrangements, which remain complex.

WHO has a complicated financial situation: approval of the programme budget does not automatically lead to full financing, and much of the financing received is highly earmarked. Earmarking provides reassurance to the donor that funding is used for agreed projects; however, it constrains the Organization's ability to allocate financing towards its priorities and means that some departments' or offices' requests for staff financing may not be satisfied. Part of the increased expenditures recorded in 2010 arise from cost increases due to inflation and exchange rate reversals, notably the depreciation of some of WHO's major funding currencies against its most important expenditure currency, the Swiss franc. This structural currency imbalance requires urgent attention in order to avoid financial difficulties for the Organization in this biennium and to put the Organization on a sustainable course for future bienniums.

Certification of financial statements

The financial statements, notes to the statements and supporting schedules are approved.

A rectangular box containing two handwritten signatures in blue ink. The signature on the left is 'Nicholas R. Jeffreys' and the signature on the right is 'M. Chan'.

Nicholas R. Jeffreys
Comptroller

Dr Margaret Chan
Director-General

8 March, 2011

Financial statements

World Health Organization

Statement of financial performance

*For the year ended 31 December 2010
(in US dollars)*

	Notes	2010	2008-2009 (re-stated)
Operating revenue			
Member States' assessed contributions	4.1	472 557 200	940 124 310
Assessed contributions provision	5.10	104 155 946	(51 214 139)
Voluntary contributions	4.2	1 565 269 322	2 628 305 238
In-kind and In-service contributions	4.3	138 849 781	116 713 326
Reimbursable procurement	4.4	23 157 725	53 678 321
Other operating revenue	4.5	18 593 599	71 501 694
Total operating revenue		2 322 583 573	3 759 108 749
Operating expenses			
Staff and other personnel costs	4.7	945 067 925	1 763 424 134
Contractual services		298 803 507	657 707 939
Direct financial cooperation		295 752 758	525 186 395
Medical supplies		225 346 696	214 188 468
Travel		161 504 072	255 591 911
General operating expenses		105 783 443	317 645 790
Equipment, vehicles and furniture		45 861 296	207 807 250
Total operating expenses		2 078 119 697	3 941 551 886
Surplus/(deficit) from operations		244 463 876	(182 443 137)
Financial revenue and expense			
Interest earnings	4.6	39 272 873	80 975 145
Undistributed exchange differences		2 939 597	
Total financial revenue and expense		42 212 470	80 975 145
Total surplus/(deficit) for the period		286 676 346	(101 467 992)

The statement of accounting policies and the accompanying notes form part of the financial statements.

World Health Organization

Statement of financial position

As at 31 December 2010
(in US dollars)

	Notes	2010	2009 (re-stated)
ASSETS			
Current assets			
Cash	5.1	361 245 595	303 834 547
Investments	5.1a	2 292 962 648	2 109 071 801
Accounts receivable - current	5.2	566 936 663	553 231 030
Staff receivables	5.3	9 732 704	16 672 928
Prepayments	5.4	5 514 876	10 434 832
Interest receivable	5.5	4 453 780	7 943 075
Total current assets		3 240 846 267	3 001 188 213
Non-current assets			
Accounts receivable - non current	5.2	41 598 638	46 784 658
Deposits	5.4	289 119	274 302
Land and buildings	5.6	97 950 420	97 950 420
Total non-current assets		139 838 177	145 009 380
TOTAL ASSETS		3 380 684 445	3 146 197 593
LIABILITIES			
Current liabilities			
Contributions received in advance	5.8	60 028 849	86 480 970
Accounts payable	5.9	23 239 349	30 165 474
Assessed contributions provision	5.10	86 982 383	191 138 329
Other current liabilities	5.11	130 679 560	186 298 431
Inter-entity liabilities	5.12	599 684 188	513 099 744
Total current liabilities		900 614 329	1 007 182 949
Non-current liabilities			
Long-term borrowings	5.13	21 924 310	22 542 079
Accrued staff benefits	5.14	51 538 410	47 650 032
Staff health insurance	5.15	501 396 850	450 906 103
Total non-current liabilities		574 859 570	521 098 213
TOTAL LIABILITIES		1 475 473 899	1 528 281 162
NET ASSETS/EQUITY			
Net assets/reserves			
Member States' equity in capital assets	6.1	76 026 110	75 408 341
Accumulated surpluses/(deficits)			
<i>Non-restricted (Member States)</i>			
Member States - Regular Budget		23 157 092	(55 409 733)
Member States - Other funds		103 146 906	57 777 485
Total non-restricted (Member States)		126 303 998	2 367 752
<i>Restricted</i>			
Voluntary funds		1 596 049 982	1 432 435 490
Fiduciary Fund		103 890 859	107 704 847
Total restricted		1 699 940 841	1 540 140 337
Undistributed exchange differences		2 939 597	-
Total accumulated surpluses/(deficits)		1 829 184 436	1 542 508 089
TOTAL NET ASSETS/EQUITY		1 905 210 546	1 617 916 430
TOTAL LIABILITIES AND NET ASSETS/EQUITY		3 380 684 445	3 146 197 593

The statement of accounting policies and the accompanying notes form part of the financial statements.

World Health Organization

Statement of changes in net assets/equity

*For the year ended 31 December 2010
(in US dollars)*

	Notes	Opening balance (re-stated)	Changes 2010	Ending balance
Member States' equity in capital assets	6.1	75 408 341	617 769	76 026 110
Accumulated surpluses/(deficits)				
<i>Non-restricted (Member States)</i>				
Member States - Regular budget				
Assessed contributions		(111 394 116)	85 181 624	(26 212 492)
Member States' non assessed income	6.2	32 202 907	(15 455 062)	16 747 845
Tax equalization	6.3	(7 218 524)	8 840 263	1 621 740
Working Capital Fund	6.4	31 000 000		31 000 000
Total Member States - Regular budget		<u>(55 409 733)</u>	<u>78 566 825</u>	<u>23 157 092</u>
Member States - other funds				
Special Purpose Fund	6.5	28 827 418	40 837 549	69 664 966
Enterprise Fund	6.7	28 950 068	4 531 873	33 481 940
Total Member States - other funds		<u>57 777 485</u>	<u>45 369 421</u>	<u>103 146 906</u>
<i>Total non-restricted (Member States)</i>		<u>2 367 752</u>	<u>123 936 246</u>	<u>126 303 998</u>
<i>Restricted</i>				
Voluntary funds		1 432 435 490	163 614 492	1 596 049 982
Fiduciary Fund	6.8	107 704 847	(3 813 988)	103 890 859
<i>Total restricted</i>		<u>1 540 140 337</u>	<u>159 800 503</u>	<u>1 699 940 841</u>
Undistributed exchange differences			2 939 597	2 939 597
Total accumulated surpluses/(deficits)		<u>1 542 508 089</u>	<u>286 676 346</u>	<u>1 829 184 436</u>
Net assets/equity at end of period		<u><u>1 617 916 430</u></u>	<u><u>287 294 116</u></u>	<u><u>1 905 210 546</u></u>

The statement of accounting policies and the accompanying notes form part of the financial statements.

World Health Organization

Statement of cash flows

For the year ended 31 December 2010
(in US dollars)

	2010	2008-2009 (re-stated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus or deficit	286 676 346	(101 467 992)
<i>Non-cash movements</i>		
(Increase)/decrease in accounts receivable	(13 705 633)	7 994 715
(Increase)/decrease in staff receivables	6 940 224	18 424 341
(Increase)/decrease in prepaid expenses	4 919 956	(819 987)
(Increase)/decrease in non-current receivables	5 186 020	(21 768 354)
Increase/(decrease) in deposits	(14 817)	(274 302)
Increase/(decrease) in contributions received in advance	(26 452 121)	27 181 582
Increase/(decrease) in accounts payable	(6 926 125)	(266 947 771)
Increase/(decrease) in assessed contributions provision	(104 155 946)	51 214 139
Increase/(decrease) in other liabilities	(55 618 871)	162 219 653
Increase/(decrease) in accrued staff benefits	3 888 378	(734 058)
Net cash flows from operating activities	100 737 410	(124 978 033)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	617 769	1 666 479
Purchase of investments	(183 890 847)	138 118 286
Interest receivable	3 489 294	16 147 879
Net cash flows from investing activities	(179 783 784)	155 932 644
CASH FLOWS FROM FINANCING ACTIVITIES		
Inter-entire liabilities	86 584 444	(132 261 065)
Staff health insurance liability	50 490 747	67 296 364
Repayment of loans	(617 769)	(1 666 479)
Net cash flows from financing activities	136 457 422	(66 631 180)
Net Increase/(decrease) in cash and equivalents	57 411 047	(35 676 569)
Cash and equivalents at beginning of period	303 834 547	339 511 116
Cash and equivalents at end of period	361 245 595	303 834 547

The statement of accounting policies and the accompanying notes form part of the financial statements.

Statement of accounting policies

1.1 Basis of preparation and presentation

The accounting policies and financial reporting practices applied are based on the WHO Financial Regulations and Financial Rules¹. Where the Regulations and Rules do not provide explicit provisions, the requirements of the United Nations System Accounting Standards (UNSAS) apply. The financial statements, accompanying notes and schedules are all in accordance with UNSAS.

These financial statements have been prepared on the going concern basis, conforming to the historical cost convention using the accrual method of accounting.

The financial statements, notes, schedules and accompanying tables are presented in US dollars.

1.2 Revenue recognition (operating revenue)

Assessed contributions – Revenue from contributions from Members and Associate Members for the effective working budget 2010 is recorded on an accrual basis as per the assessments approved by the World Health Assembly. In accordance with Financial Regulation 7.1, pending receipt of assessed contributions, implementation of the regular budget may be financed from the Working Capital Fund and thereafter by internal borrowing against available cash reserves of the Organization, excluding trust funds. A provision is established for delays in collection of contributions amounting to 100% of the assessed contributions outstanding at 31 December 2010. The net increase/decrease of the provision for the current biennium is shown in the statement of financial performance. When outstanding assessed contributions are paid, the amounts are credited first against any outstanding internal borrowing and then against any borrowing from the Working Capital Fund. In accordance with the Financial Regulation 7.3, any payments of arrears of contributions due from Member States that are not required to repay borrowings from internal borrowing and from the Working Capital Fund are credited to Member States' non-assessed income.

New Members – Revenue from assessed contributions from new Members is subject to Financial Regulation 6.11.

Voluntary contributions – Voluntary contributions are recorded on an accrual basis. Formal funding agreements signed by both parties are required in order to recognize an asset before the receipt of cash. When the entire funding is payable up front, revenue equal to the funding set out in the agreement is recognized when the agreement is signed. If the receipt of funds is conditional on a certain future date, revenue will only be recognized in that future period.

Contributions in kind or in services – Contributions in kind or in service received by WHO are recorded as goods received or services rendered. They are treated both as revenue and expense in the General Fund. A valuation is done for each donation to ensure that goods and services are recorded at an amount equal to the market value.

Revenue-producing activities – Revolving Sales Fund – Revenue is recorded at fair value of the consideration received. The revenue is reflected under the Enterprise Fund.

1.3 Accounts receivable

Accounts receivable are recorded at their estimated realizable value. Consistent with existing Financial Regulations and Rules, WHO created a full provision for delays in Member States' assessed contributions. No provisions were made for non-collection of voluntary contributions or other receivables.

¹ Note: With effect from 1 January 2010 the Financial Regulations and Financial Rules have been amended and renumbered in accordance with resolution WHA62.6.

1.4 Provisions and contingent liabilities

WHO recognizes a provision for all present obligations for which a probable outflow of resources will be required to settle the obligation and for which the value of the obligation can be reasonably estimated. These provisions are recorded as an expense in the period in which they occur and a corresponding liability is established in the Statement of Financial Position. Contingent liabilities however relate to potential future outflows which do not meet the criteria of a provision (i.e. they are not probable or cannot be reasonably estimated). If a contingent liability is not considered remote it should be disclosed in the notes of the financial statements.

1.5 Property and equipment

Land and buildings are recorded at historical cost and are not depreciated. The full expense of equipment is recorded in the financial period in which it is acquired. An inventory of equipment with a cost value of US\$ 2500 or above is maintained and the total value disclosed in the notes.

1.6 Employee benefits

Employee benefits are recognized as expenses on an accrual basis. Similarly, terminal payments to staff members, including repatriation grant, accrued annual leave, repatriation travel and removal on repatriation are all expensed on an accrual basis. As per actuarial valuations, the current accruals for employee benefits are not sufficient to cover all future costs.

1.7 Pension Fund

WHO is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to staff. The Pension Fund is a funded defined benefit plan. The financial obligation of the Organization to the Pension Fund consists of its mandated contribution at the rate established by the United Nations General Assembly together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. At the time of this report the United Nations General Assembly had not invoked this provision.

1.8 Financial risks

The Organization is exposed to certain financial risks including foreign currency exchange risk and credit risk. The Organization uses derivative financial instruments to hedge risk exposure. In accordance with Financial Regulation 11.1, funds not required for immediate use may be invested. All investments are carried out within the framework of investment policies approved by the Director-General. These policies are regularly reviewed by the Advisory Investment Committee, which includes external investment specialists. The Committee makes regular recommendations to the Director-General. The range of investments types are:

- **Short-term fixed income in US dollars** – These are invested in cash and high-quality, short-dated, government, agency, and corporate bonds as defined in the approved investment policy;
- **Long-term fixed income in US dollars** – These are invested in high-quality, medium- and long-dated, government, agency, and corporate bonds. They represent funds managed for the Staff Health Insurance Fund and the Terminal Payments Account as defined in the approved investment policy; and
- **Equity investments in US dollars** – In accordance with approved investment policy, this portfolio represents funds managed for the Staff Health Insurance Fund.

Foreign currency exchange risk – The Organization receives voluntary and assessed contributions and makes payments in currencies other than US dollars. It is exposed to foreign exchange currency risk arising from fluctuations in the currency exchange rates. Exchange rate gains and losses on the purchase and sale of currencies, revaluation of cash book balances, and

all other exchange differences are adjusted against the funds and accounts eligible to receive interest under the WHO general investment plan.

Credit risk – The credit risk associated with contributions from donors and on other accounts receivable is considered above in the note on accounts receivable.

The Organization is not subject to significant liquidity or price risk.

Foreign currency translation – Translation into US dollars of transactions expressed in other currencies is effected at the prevailing United Nations accounting rate of exchange, as applicable at the date of the transaction. Assets and liabilities that are denominated in foreign currencies are translated at the rates of exchange prevailing on the first day of the month for purposes of reporting. Realized/unrealized gains and losses resulting from the settlement and revaluation of foreign currency transactions are recognized in the statement of financial performance.

1.9 Tax Equalization Fund

In accordance with Health Assembly resolution WHA21.10, under which the Tax Equalization Fund was established, the assessed contributions of all Members are reduced by the revenue generated by the staff assessment plan. In determining the reduction of assessed contributions to be applied to the Members concerned, the Tax Equalization Fund is credited with the revenue from the staff assessment plan, the credits being recorded in the name of individual Members, in proportion to their assessments for the biennium. For those Members that levy income tax on emoluments received from the Organization by their nationals or others liable to such taxes, the credit from the staff assessment plan is charged with the estimated amount to be levied by those Member States. Those amounts which have been charged are, in turn, used by the Organization to reimburse income tax paid by the staff concerned as per resolution WHA21.10.

1.10 Fund accounting

Fund Accounting is a method of segregating resources into categories, (i.e. funds) to identify both the source and use of the funds. Establishment of such funds helps to ensure better reporting of revenue and expenses. The General Fund, the Special Purpose Fund, the Enterprise Fund and the Fiduciary Fund serve to ensure proper segregation of income and expense. Any transfers between funds that would result in duplication of revenue and/or expenses are eliminated during consolidation. Intra-fund transfers such as Programme Support Costs within the General Fund are also eliminated. The four types of funds are further explained below.

General Fund – The accounts contained under this fund support the implementation of the Programme Budget. The General Fund contains the following accounts:

- Member States' assessed contributions
- Member States' non-assessed income
- Tax Equalization Fund
- Voluntary funds (core, specified and partnerships)
- Special account for servicing costs (also referred to as programme support costs)

Special Purpose Fund – The accounts contained under this fund represent transfers from the General Fund or appropriations by the Health Assembly. The revenue and expenses under this fund are not included in the reporting of the Programme Budget. The Special Purpose Fund contains the following accounts:

- Real Estate Fund
- Security Fund
- Information Technology Fund

- Revolving Fund for Teaching and Laboratory Equipment
- Post Occupancy Charge Fund

Enterprise Fund – This fund contains accounts that generate self financing revenue. The revenue and expenses under this fund is not included in the reporting of the Programme Budget. The Enterprise Fund contains the following accounts:

- Revolving Sales Fund¹
- Special account for concessions
- Insurance policies account
- Procurement activities
- Other self-financing activities

Fiduciary Fund – This fund accounts for assets that are held by WHO in a trustee or agent capacity for others and cannot be used to support the Organization’s own programmes. The fund includes partnerships which are administered by WHO and whose budgets are not approved by the Health Assembly. Similarly, financial activities related to financing the Organization’s long-term liabilities are managed through this fund. The fund is not available for operations and does not contribute to the Programme budget 2010–2011. The Fiduciary Fund contains the following accounts:

- Staff Health Insurance
- Secretariat of the Framework Convention on Tobacco Control
- Stop TB Partnership Global Drug Facility
- Roll Back Malaria Partnership secretariat
- Health Metrics Network
- Partnership for Maternal, Newborn and Child Health
- United Nations System Standing Committee on Nutrition

Notes to the Financial statements

2. Statement of objectives

- 2.1** The objective of the World Health Organization, contained in Article 1 of the Constitution, is the “attainment by all peoples of the highest possible level of health”.
- 2.2** In order to achieve this objective, the functions of the Organization have been established and are contained in Article 2 of the Constitution.
- 2.3** The Eleventh General Programme of Work, 2006–2015, approved by Health Assembly resolution WHA59.4 provides the policy and programmatic framework for the Programme budget 2010–2011. Resolution WHA62.11 refines the framework of the Medium-term strategic plan 2008–2013 and its underlying budgets which moves away from the narrowly defined areas of work to strategic objectives.
- 2.4** The Sixty-second World Health Assembly in May 2009, in resolution WHA62.9, noted the total effective working budget of US\$ 4540 million for the financial period 2010–2011. The Health Assembly also noted that the figure for voluntary contributions required to meet estimated expenditure not financed through net assessments on Members was US\$ 3596 million.

¹ In accordance with Health Assembly resolutions WHA22.8 and WHA55.9, this fund is credited with proceeds from the sale of publications, international certificates of vaccination, films, videos, DVDs and other information material. The related costs of production and printing are charged to the fund.

3. *Disclosure of consolidated and non-consolidated entities*

3.1 Non-consolidated entities WHO provides administrative services to a number of entities. Each of these entities produce a full set of financial statements and are subject to a separate audit. The following five entities have their own governing bodies and are not controlled by the Health Assembly:

- Trust Fund for the Joint United Nations programme on HIV/AIDS (UNAIDS)
- International Drug Purchase Facility – (UNITAID)
- International Agency for Research on Cancer (IARC)
- International Computing Centre (ICC)
- African Programme for Onchocerciasis Control¹ / (APOC)

3.2 Consolidated entities

WHO administers or participates in a large number of global health partnerships, and maintains some special programmes and collaborative arrangements. These contribute to the achievement of WHO's objectives and as such were reflected in the Programme budget 2010–2011, under the Special programmes and collaborative arrangements segment of the budget. The activities implemented by WHO have been consolidated in the financial report under the General Fund. The activities held under the Special programmes and collaborative arrangements segment of the budget, following a revision made at the beginning of 2010, are as follows:

- Alliance for Health Policy and Systems Research
- The Joint FAO/WHO Food Standards Programme (Codex Alimentarius)
- European Observatory on Health Systems and Policies
- GAVI Alliance
- Global Health Workforce Alliance
- Global Polio Eradication Initiative
- Health and Nutrition Tracking Service
- Intergovernmental Forum on Chemical Safety
- UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases
- UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction
- WHO/UNAIDS HIV Vaccine Initiative (including the African AIDS Vaccine Programme)
- Initiative for Vaccine Research
- Partnership for the control of neglected tropical diseases
- Prequalification programmes
- Tripartite Agreement WHO-FAO-OIE on avian influenza management and other emerging diseases
- WHO Centre for Health Development (Kobe)
- World Alliance for Patient Safety
- Stop TB Partnership, including Green Light Committee and Global Laboratory Initiative

¹ Includes residual values for former Onchocerciasis Control Programme.

In addition, the following partnerships, are not included within the programme budget. They are therefore consolidated in the financial report, but are outside the programme budget and the General Fund.

- Secretariat of the WHO Framework Convention on Tobacco Control
- Stop TB Partnership Global Drug Facility
- Roll Back Malaria Partnership secretariat
- Health Metrics Network
- Partnership for Maternal, Newborn and Child Health
- United Nations System Standing Committee on Nutrition

4. Supporting information to the statement of financial performance

4.1 Member States' assessed contributions

Resolution WHA62.9 approved a budget of US\$ 4540 million for the period 2010–2011. Details on the status of collections can be found in document A64/31. The total budget to be financed from assessed contributions as per resolution WHA62.9 paragraph 3.3 for the period 2010–2011 is US\$ 945 million. The US\$ 472.6 million recognized as revenue represents the proportional share of assessed contributions (50%) that relates to 2010. The US\$ 16 million for the Tax Equalization Fund has been transferred in 2010 (See Note 6.3). The net balance of the biennium is US\$ 928 million.

4.2 Voluntary contributions

Total voluntary contributions to the WHO totalled US\$ 1565 million for the current period. These contributions represent revenue recognized from governments, intergovernmental organizations, institutions, other United Nations organizations and bodies, as well as the private sector. Full details of all voluntary contributions can be found in the Annex (document A64/29 Add.1).

4.3 Contributions in kind and in services

The Organization receives non-cash (in-kind) contributions from Member States and other donors. In 2010 WHO received in-kind or in-service contributions amounting to US\$ 138.8 million (US\$ 116.7 million in 2008–2009).

	2010	2008-2009
In-service	7 237 727	16 777 520
In-kind	131 612 054	99 935 806
Total	<u>138 849 781</u>	<u>116 713 326</u>

4.4 Reimbursable procurement

WHO procures medicines and vaccines on behalf of Member States and other United Nations agencies. The total revenue recognized in 2010 for reimbursable procurement was US\$ 23.2 million. The revenue and expenses related to reimbursable procurement forms part of the Enterprise Fund and is not reported against the Programme Budget.

4.5 Other operating revenue

In 2010 the Organization earned fees for hosting other entities such as UNAIDS, the International Drug Purchase Facility (UNITAID), the International Computing Centre (ICC) and African Programme for Onchocerciasis Control (APOC). Other sources of earnings also included the sale of publications and royalties earned. Savings due to the cancellation of prior period obligations totalled US\$ 6.4 million.

	2010	2008-2009 (re-stated)
Savings on prior period obligations	6 377 747	36 029 276
Administrative service agreements with other entities	5 969 707	12 747 026
Revolving sales fund income	3 560 449	11 069 082
Rental income	1 465 595	3 318 870
Others	1 220 101	8 170 298
Gains on sale of assets	167 143	167 143
Total	18 593 599	71 501 694

4.6 Financial revenue and expense

Total interest earnings of US\$ 52.5 million in 2010 less foreign exchange losses of US\$ 13.3 million for the same period, produced a net overall gain of US\$ 39.3 million.

	2010	2008-2009 (re-stated)
Interest		
Interest on cash and bank deposits	27 615 783	45 780 732
Interest on investments	24 913 084	54 244 648
Total Interest	52 528 867	100 025 380
Realised gains/(losses)		
Realised gains/(losses) on hedging	(4 968 635)	11 338 148
Exchange gains/(losses)	(8 287 359)	(30 388 383)
Total exchange gains /(losses)	(13 255 994)	(19 050 235)
Total	39 272 873	80 975 145

The undistributed currency exchange difference of US\$ 2.9 million incurred in 2010 has not been included in the above interest calculations and has been reflected separately in the Statement of Financial Position. The balance includes unrealized exchange gains of US\$ 1.4 million and realized gains of US\$ 1.5 million on exchange contracts for which the underlying receivable has not been received.

4.7 Expense

WHO recognizes expense at the point when goods have been delivered or services rendered. An encumbrance represents a firm commitment or obligation for goods and services which have not been delivered. Encumbrances are not reported in the Statement of Financial Performance.

4.7a Staff and other personnel costs: This amount is equal to the total cost of employing staff at all locations. This includes charges for base salary, post adjustment and any other types of entitlements (e.g. pensions and insurances) paid by the Organization. Costs for special service agreements and fellowships are also considered to be staff costs.

4.7b Direct financial cooperation: This represents non exchange contracts signed with national counterparts (mainly health ministries) to perform activities which are in line with the WHO programme budget. Funds are expensed at the point of time when the funds are transferred to the contractual partner. These expenditures are also referred to as “transfers and grants to national counterparts”.

4.7c Contractual services: This represents expenses for services providers. The main components would be for agreements for performance of work or consulting contracts given to individuals to perform activities on behalf of the Organization. Medical research activities are also included in contractual services.

4.7d Medical supplies: The majority of these costs relate to medical supplies purchased and distributed by the Organization.

4.7e General operating expenses: This amount represents the general operations to support country offices, regional offices and headquarters. It includes utilities, telecommunication (fixed telephone, mobile phone, internet and global network expenses), and rents.

4.7f Travel: The cost of travel for WHO staff, non-staff participants in meetings, consultants and representatives of Member States paid by the Organization is included in the total travel costs. Travel expenses include airfare, per diem and other travel-related costs. This does not include statutory travel for home leave and education grant.

4.7g Equipment vehicles and furniture: WHO expenses the full cost for equipment, vehicles and furniture at the point of delivery. No expenses for depreciation are currently recorded under the United Nations System Accounting Standards.

5. *Supporting information to the statement of financial position*

The notes within this section provide further details of the information presented in the statement of financial position and changes in equity.

5.1 Cash

Cash and cash equivalents are held on behalf of the Organization, including the General Fund, Special Purpose Fund, Enterprise Fund, Fiduciary Fund and non-WHO entities administered by WHO.

	2010	2009
Cash at banks, in transit and on hand		
Headquarters	217 795 936	257 634 656
Regional and country offices	26 529 837	(44 727 992)
Country offices bank accounts		
Regional Office for Africa	84 018 830	53 465 224
Regional Office for the Eastern Mediterranean	15 414 886	19 592 269
Regional Office for South-East Asia	8 512 744	10 572 509
Regional Office for the Western Pacific	5 081 561	6 316 694
Regional Office for Europe	2 386 114	1 563 935
Headquarters	1 505 687	(582 748)
<i>Total cash at banks, in transit and on hand</i>	<u>361 245 595</u>	<u>303 834 547</u>

5.1a Investments:

Deposits and Securities: Funds in currencies other than US dollars are accounted at their US dollar equivalent based on the United Nations accounting rate of exchange. Securities are accounted for at current market value. Market values are determined using the market price for a particular security on the last business day of the year. The investment policy reflects the nature of the WHO funds, which may be held for the short term, pending programme implementation, or for the longer term in order to meet liabilities under the Staff Health Insurance Fund and other long-term funds of the Organization. Investments are recorded at current market value and investment income is recorded on an accrual basis.

Short-term fixed income in US dollars – These are invested in cash and high-quality, short-dated, government, agency, and corporate bonds as defined in the approved investment policy.

Long-term fixed income in US dollars – These are invested in high-quality, medium- and long-dated, government, agency, and corporate bonds. They represent funds managed for the Staff Health Insurance Fund and the Terminal Payments Account as defined in the approved investment policy.

Equity investments in US dollars – In accordance with approved investment policy, this portfolio represents funds managed for the Staff Health Insurance Fund.

	2010	2009
Deposits		
Bank deposits	1 263 633 377	1 125 100 000
Total deposits	1 263 633 377	1 125 100 000
Securities		
Short-term fixed income in US dollars	682 806 996	661 382 716
Long-term fixed income in US dollars	263 263 575	270 236 092
Equity investments in US dollars	83 258 701	52 352 993
Total securities	1 029 329 271	983 971 801
Total Investments	2 292 962 648	2 109 071 801

5.1b Cash and investments available for programmatic activities: Of the total cash and investments balance of US\$ 2654 million (US\$ 361 million of cash plus US\$ 2293 million of investments), US\$ 1365 million was available for WHO programmatic activities. The remaining cash relates to funds held on behalf of other organizations and those needed to settle current and future liabilities.

	2010	2008-2009
Available cash and investments		
Fund balance - Voluntary funds	1 596 049 982	1 540 604 602
Fund balance - Fiduciary Fund	103 890 859	(464 265)
Fund balance - Member States other funds	103 146 906	57 777 486
Fund balance - Member States Regular Budget	23 157 092	(55 409 733)
Less : Accounts receivable (Non assessed)	521 552 918	409 601 171
Add : Contributions received in advance	60 028 849	86 411 056
Total available cash and investments	1 364 720 769	1 219 317 975
Restricted cash and investments		
Funds held on behalf of other entities (See Note 5.12)	599 684 188	513 099 744
Accounts payable, provision and other liabilities	153 918 910	219 074 541
Accrued benefits	51 538 409	47 650 032
Staff Health Insurance	501 396 850	450 906 103
Undistributed exchange differences	2 939 597	
Less : Other current and non-current assets	19 990 480	37 142 047
Total restricted cash and cash equivalents	1 289 487 474	1 193 588 373
Total cash and investments	2 654 208 243	2 412 906 348

5.1c Hedging foreign exchange exposures on receivables and payables: Currency exchange risk arises due to differences in the exchange rates at which foreign currency receivables or payables are recorded, and the exchange rates at which the cash receipt or payment is subsequently recorded. A monthly programme of currency hedging is performed to hedge this foreign currency risk. On an ongoing monthly basis the awards, accounts receivable and accounts payable exposures are netted by currency and each significant net foreign currency exposure is bought or sold forward using a forward foreign exchange contract equal and opposite to the net currency exposure. These exposures are re-balanced at each month end to coincide with the settings of the monthly United Nations exchange rates, and the forward foreign exchange contracts are adjusted and swapped back to the following month to match the revised net currency exposures. Through this process the exchange gains or losses crystallized on the forward foreign currency contracts hedge the corresponding exchange losses and gains on the movements in the net contributions, accounts receivable and accounts payable. As at

31 December 2010 the total forward foreign currency exchange hedging contracts by currency were as follows:

Currency	Amount forward sold	Contract value (US dollars)
CAD	111 900 000	111 696 043
GBP	61 000 000	94 160 820
EUR	70 300 000	92 305 939
SEK	104 000 000	15 160 575
DKK	40 000 000	7 047 639
AUD	1 200 000	1 212 281
Total		321 583 296

An unrealized loss of US\$ 274 502 on the revaluation of these forward foreign currency exchange hedging contracts at the year end exchange rates is recorded in the statement of financial performance.

5.1d Forward foreign exchange contracts to manage operational cash flows: Forward foreign exchange contracts are also used to manage short-term cash flows of foreign currency balances to minimize foreign currency transaction risk. As at 31 December 2010 the net value of these forward foreign currency exchange contracts by currency were as follows:

Currency bought	Currency sold	Amount forward bought	Amount forward sold	Contract value (US dollars)
USD	CHF	5 000 000	4 683 000	4 924 290
DKK	CHF	9 500 000	1 758 938	1 849 567
GBP	CHF	600 000	886 800	932 492
NOK	CHF	2 000 000	324 119	340 819
		17 100 000	7 652 857	8 047 168

The maturity dates of these forward foreign exchange contracts were in January and February 2010. An unrealized loss of US\$ 337 161 on the revaluation of these forward foreign currency exchange hedging contracts at the year end exchange rates is recorded in the statement of financial performance.

5.2 Accounts receivable

As at 31 December 2010, total accounts receivable amounted to US\$ 608.5 million (US\$ 600 million as at 31 December 2009). The receivable balance includes outstanding amounts for both assessed and voluntary contributions. Other receivables of US\$ 5.8 million (US\$ 3.8 million as at 31 December 2009) comprise payments due from international organizations and other debtors.

	2010	2009 <i>(re-stated)</i>
Accounts receivable		
Outstanding rescheduled assessments receivable - non current	41 598 638	46 784 658
Member States' assessed contributions receivable - current biennium	34 265 652	130 880 093
Member States' assessed contributions receivable - previous biennium	11 118 092	13 473 579
<i>Total assessed contributions receivable</i>	<u>86 982 382</u>	<u>191 138 330</u>
Voluntary contributions receivable	515 176 873	403 980 686
Revolving sales	621 889	1 095 080
Other receivables	5 754 157	3 801 592
Total accounts receivable	<u><u>608 535 301</u></u>	<u><u>600 015 688</u></u>
Current and non-current receivables		
Current accounts receivable	566 936 663	553 231 030
Non-current accounts receivable	41 598 638	46 784 658
Total current and non current receivable	<u><u>608 535 301</u></u>	<u><u>600 015 688</u></u>

5.3 Staff receivables

The total balance of staff receivables amounted to US\$ 9.7 million, down from US\$ 16.7 million in 2009. In accordance with the WHO Staff Rule 380.6, a staff member's remuneration may be advanced to him if it falls due during his absence on leave or official travel; it may also be advanced to him in emergencies. When staff salaries are processed through payroll, the advance is recovered and amounts charged to the respective project. The amounts in respect of advances for education grant are pending settlement upon presentation of invoices. Travel advances are cleared upon presentation and settlement of travel claims.

	2010	2009 <i>(re-stated)</i>
Education grant	5 083 718	4 991 114
Rental advance	1 914 751	1 916 942
Other staff receivable	1 523 224	1 356 424
Salary advance	629 790	4 316 088
Travel advance	581 221	4 092 360
Total	<u><u>9 732 704</u></u>	<u><u>16 672 928</u></u>

5.4 Prepayments

The total value of prepayments is US\$ 5.5 million (US\$ 10.4 million as at 31 December 2009). These represent payments to suppliers in advance of receipt of goods or services. It is common practice for technical service contractors to request funds in advance of a project to support work during project. When goods or services are delivered prepayments are applied to the appropriate expenditure account.

Deposits of US\$ 289 119 (US\$ 274 302 as at December 2009) represents amounts given to landlords as a security to rent office space.

5.5 Interest receivable

This represents amounts due from banks and other investment firms for interest earned during the period. The total value of interest receivable is US\$ 4 453 780.

5.6 Land and buildings

These assets represent WHO's properties at headquarters and in regional office locations. The properties have been purchased, constructed or received as donations. The land upon which buildings have been erected is either owned by the Organization or has been made available by the host country concerned, at no cost or at a nominal annual ground rent. The cost of land and buildings at each location comprises the following:

	2010	2009 <i>(re-stated)</i>
Headquarters	67 971 982	67 971 982
Regional Office for the Eastern Mediterranean	12 088 203	12 088 203
Regional Office for Africa	8 257 182	8 257 182
Regional Office for the Western Pacific	8 149 758	8 149 758
Regional Office for South-East Asia	1 483 295	1 483 295
Total	97 950 420	97 950 420

5.7 Non-expendable equipment

The total value of non expendable equipment as at 31 December 2010 was US\$ 85.9 million (US\$ 75.3 million as at 31 December 2009). In accordance with established accounting policy, non-expendable equipment (including furniture, computers and other office equipment and motor vehicles) is charged to expenditure at cost. An inventory of non-expendable equipment is maintained and the value disclosed in these notes. For reporting purposes, only those items with a cost value of US\$ 2500 and above are included.

5.8 Contributions received in advance

This represents contributions received in advance or contributions that were not yet applied to receivables at 31 December 2010. The majority relates to Member States that had either in full or in part made advance payments in 2010 against their assessed contributions for 2011 and future years. Advance payments for voluntary contributions relate to funds received from agreements starting in 2011.

	2010 <i>(US dollars)</i>	2009 <i>(US dollars)</i>
Assessed contributions	47 466 858	54 821 108
Unapplied receipts	5 680 076	10 732 036
Advances for voluntary contributions	5 421 860	20 600 446
Secretariat of the WHO Framework Convention on Tobacco Control	1 460 055	327 380
Total	60 028 849	86 480 970

5.9 Accounts payable

This represents the total amount outstanding to suppliers as at 31 December 2010 by major offices.

	2010	2009 <i>(re-stated)</i>
Global and interregional activities	12 563 664	21 921 380
Regional Office for South-East Asia	3 201 787	871 847
Regional Office for the Eastern Mediterranean	3 115 902	151 336
Regional Office for the Western Pacific	2 117 102	6 186 014
Regional Office for Europe	1 556 048	7 612
Regional Office for Africa	684 845	1 027 286
Total	23 239 349	30 165 474

5.10 Assessed contributions provision

Provision of 100% of the non-collected assessments is consistent with the existing WHO financial policies for accounts receivable provisions. The net decrease in the provision attributable to the current period of US\$ 104 million is recorded in the statement of financial performance. The total balance of US\$ 87 million is in the statement of financial position.

	2010	2009 <i>(re-stated)</i>
Opening balance	191 138 329	139 924 190
Plus: Outstanding current biennium assessments	34 265 652	130 880 093
Less: Collections made for previous biennium	(138 421 598)	(79 665 954)
<i>Net additional provision current period</i>	<i>(104 155 946)</i>	<i>51 214 139</i>
Ending balance	86 982 383	191 138 329

5.11 Other current liabilities

Total balance for other current liabilities as at 31 December 2010 is US\$ 130.7 million (US\$ 186.3 million as at 31 December 2009). These amounts relate to various short-term liabilities as detailed below.

	2010	2009 <i>(re-stated)</i>
Unliquidated obligations	86 213 836	157 205 943
Pension payable to UNJSPF	21 312 653	(1 730 783)
Special account for compensation	6 385 581	5 926 806
Insurance payable	4 850 113	5 074 805
Staff payable	4 087 991	1 892 438
Payable to PAHO	3 822 102	13 952 937
Foundations	3 728 809	3 699 821
Due to estates of deceased staff members	278 475	276 463
Total	130 679 560	186 298 431

5.12 Inter-entity liabilities

WHO hosts a number of entities through administrative service agreements. As cash for all entities is managed by WHO, liabilities exist with these entities for funds held on their behalf. The total amounts due per entity are as follows.

	2010	2009 <i>(re-stated)</i>
International Drug Purchase Facility (UNITAID)	328 574 205	224 749 864
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	252 586 021	271 360 688
International Computing Centre (ICC)	12 891 353	13 192 766
African Programme for Onchocerciasis Control (APOC)	6 136 647	3 713 093
Other transfers	(504 038)	83 334
Total	599 684 188	513 099 744

5.13 Long-term borrowings

The Health Assembly, in resolutions WHA55.8 and WHA56.13, authorized the Director-General to proceed with the construction of a new building at headquarters for WHO and UNAIDS at a cost estimated at CHF 66 million, of which WHO's share was estimated at CHF 33 million. The Swiss Confederation has agreed to provide an interest-free loan to WHO and UNAIDS of CHF 59.8 million of which WHO's share is CHF 29.9 million. The Health Assembly also approved the use of the Real Estate Fund for the repayment over a 50-year period of WHO's share of the interest-free loan provided by the Swiss Confederation with effect from the first year of the completion of the building. WHO has repaid its share of US\$ 617 769 in 2010 (US\$ 1 666 479 for the period 2008–2009).

5.14 Accrued staff benefits

Non payroll staff entitlements account – This account provides for non payroll staff entitlements. These consists of education grant, education grant travel, home leave, recruitment and assignment travel, assignment grant, transportation of personal effects.

Terminal payments account – This account was established to provide for financing the terminal emoluments of staff members, including repatriation grant, accrued annual leave, repatriation travel and removal on repatriation. It is funded by a budgetary provision set for 2010 at 2.5% of salary and post adjustment. It should be noted that the account does not reflect the Organization's full long-term liability for terminal benefits. The latest actuarial study estimated the full future liability to be US\$ 139 million as at 31 December 2009. This calculation did not include costs for end of service grant, separation by mutual agreement on abolishment of posts.

	2010	2009 <i>(re-stated)</i>
Terminal payments	48 817 062	50 207 183
Non-payroll staff entitlements	2 721 348	(2 557 151)
Total	51 538 410	47 650 032

5.15 Staff health insurance

The revenue of the Staff Health Insurance Fund consists of contributions received in respect of both active and retired staff (of which one third is paid by the participants and two-thirds by the Organization) as well as interest and earnings on investments. In order to ensure the adequate funding of future claims from retired staff, a fixed percentage (currently 25%) of active staff contributions is set aside each year. The remaining 75% of contributions are required to meet current claims from active staff. Further details on the staff health insurance fund can be found in the Staff Health Insurance Annual Report.

It should be noted that the fund balance for after service health insurance is not sufficient to meet all future costs. The latest actuarial calculation as at 31 December 2010 estimates the full liability for WHO to be US\$ 1220 million. The net unfunded liability is US\$ 799 million (US\$ 1220 million less plan assets specific to WHO of US\$ 421 million).

	2010	2008-2009
Balance as at 1 January	450 906 103	383 609 739
Revenue		
Contributions collected	96 211 041	169 688 551
Income on fixed investments	23 630 447	10 594 569
Interest	2 928 325	16 875 159
Total revenue	122 769 813	197 158 280
Expenses		
Claims paid	69 987 828	126 085 603
Operating expenses	2 291 238	3 776 312
Total expenses	72 279 066	129 861 915
Balance as at 31 December	501 396 850	450 906 103

5.16 Administrative waivers, amounts written-off, ex-gratia payments

During 2010, there were no reported cases of administrative waiver write-offs or ex-gratia payments at headquarters and the regional offices.

5.17 Contingent liabilities

At 31 December 2010 the Organization had a number of pending legal cases. Most involve disputes for which the potential of payment has been determined as remote and are thus not disclosed. However, there are three cases involving contractual disputes which are to be considered contingent liabilities. The total potential cost to the Organization is estimated at US\$ 967 591.

5.18 Restatement of 2008–2009 comparative figures

The presentation of figures in 2010 has made it necessary for comparative purposes to restate relevant figures for the period 2008–2009.

6. Supporting information to the statement of changes in net assets/equity

6.1 Member States' equity in capital assets

During the financial period, capital assets are expensed as purchased, thus reducing the respective fund balances appropriated. At the end of each financial period, an entry is passed to capitalize the assets and credit Member States' equity. At the end of 2010, Member States' equity in capital assets was US\$ 76 million (US\$ 97 950 420 total land and buildings less long-term borrowings of US\$ 21 924 310).

6.2 Member States' non-assessed income

This fund (formerly referred to as the Miscellaneous Income Fund) is used to consolidate all sources of income attributable to Member States other than current period assessed contributions. The fund earns income from interest, exchange gains/(losses), cancellation of prior period's obligations, and any other miscellaneous income. The Health Assembly resolved to appropriate US\$ 22 million to the Real Estate Fund (resolution WHA63.7) and US\$ 10 million for the Security Fund (resolution WHA63.6) in 2010. A further US\$ 15 million had been appropriated for financing the regular budget in 2009 (resolution WHA62.9).

	2010	2009
Balance as at 1 January	32 202 907	13 821 140
Revenue		
Receipt of arrears of contribution	138 421 598	79 665 954
Savings on unliquidated obligations	3 512 910	8 800 373
Interest	1 004 545	3 929 245
Other Income		3 796 115
<i>Total revenue</i>	<u>142 939 054</u>	<u>96 191 687</u>
Less:		
Repayment of Working Capital and Internal Borrowing	111 394 116	32 809 920
Appropriation for the Real Estate Fund	22 000 000	
Appropriation for the Regular Budget	15 000 000	45 000 000
Appropriation for the Security Fund	10 000 000	
<i>Sub-total</i>	<u>158 394 116</u>	<u>77 809 920</u>
Balance as at 31 December	<u>16 747 845</u>	<u>32 202 907</u>

6.3 Tax Equalization Fund

A full description of the governance of the Tax Equalization Fund is provided in the statement of accounting policies above.

	2010	2009
Balance as at 1 January	(7 218 524)	(4 926 152)
Staff assessment plan	16 274 400	11 284 310
Less:		
Tax levied on staff members	7 434 136	13 576 682
Balance as at 31 December	<u>1 621 740</u>	<u>(7 218 524)</u>

6.4 Working Capital Fund

In accordance with Financial Regulation VII, pending the receipts of assessed contributions, implementation of the regular budget may be financed from the Working Capital Fund and thereafter by internal borrowing against available cash reserves of the Organization, excluding trust funds. Amounts borrowed are repaid from the collection of arrears of assessed contributions and are credited first against any internal borrowing outstanding and then against any borrowing outstanding from the Working Capital Fund. In resolution WHA62.9, the Health Assembly decided to maintain the level of the Working Capital Fund at US\$ 31 million.

6.5 Special Purpose Fund

These funds receive their income by way of a transfer from the General Fund. The Information Technology Fund, Real Estate Fund and Security Fund all received appropriations from Member States' non-assessed income (see Note 6.2) in 2010. The Post Occupancy Charge Fund replaces

the Common Charges Fund and the Staff Development Fund. The balance of US\$ 32.6 million in the Post Occupancy Charge fund includes the closing balances of the Common Charges Fund (US\$ 4 million) and Staff Development Fund (US\$ 18.3 million) for the period 2008– 2009.

	2010	2009
Post Occupancy Charge Fund	32 627 339	22 304 804
Real Estate Fund	24 958 357	2 818 721
Security Fund	9 896 782	162 459
Information Technology Fund	2 197 379	3 587 459
Revolving Fund for teaching and laboratory equipment	(14 891)	(46 025)
Total	69 664 966	28 827 418

6.6 Real Estate Fund

This fund was established by the Twenty-third World Health Assembly in resolution WHA23.14. The Real Estate Fund is funded by appropriations from the regular budget. In 2010 there was an appropriation of US\$ 22 million from Member States' non-assessed income (see Note 6.2). The Real Estate Fund is also credited with receipts of rentals relating to real estate operations.

The fund is used to meet the costs of the construction of buildings or extensions to existing buildings; the acquisition of land which may be required; major repairs of and alterations to the Organization's existing office buildings and residences leased to staff by the Organization. Specific Health Assembly authorization is required for acquisition of land and construction of buildings or building extensions.

	2010	2009
Balance as at 1 January	2 818 721	4 174 665
Revenue		
Appropriation from Member States' non-assessed income	22 000 000	-
Other revenue	1 356 733	48 397
Rents collected	566 637	774 722
Total revenue	23 923 370	823 119
Expense		
Headquarters	1 388 923	(267 006)
Regional Office for Africa	238 999	1 038 235
Regional Office for Europe	140 922	-
Regional Office for the Eastern Mediterranean	14 890	1 316 147
Regional Office for the Americas		-
Regional Office for South-East Asia		91 688
Regional Office for the Western Pacific		-
Total expenses	1 783 734	2 179 064
Balance as at 31 December	24 958 357	2 818 721

6.7 Enterprise Fund

These balances in the accounts which make up the fund are as follows.

	2010	2009
Procurement activities	22 070 069	17 812 514
Revolving Sales Fund	6 989 918	8 145 305
Special account for concessions	2 080 375	2 444 365
Garage rental	1 546 388	1 238 635
Insurance policies account	790 760	(695 182)
Income derived from patent policy	4 430	4 430
Total	33 481 940	28 950 068

6.8 Fiduciary Fund

These balances in the accounts which make up the fund are as per below. A number of the partnerships have negative balances at the end of 2010 as a result of a reclassification from the voluntary fund. Once awards are closed, residual balances will be transferred to the fiduciary fund before the end of 2011.

	2010	2009 (re-stated)
Stop TB Partnership Global Drug Facility	109 653 174	107 034 407
United Nations System Standing Committee on Nutrition	112 988	
Roll Back Malaria Partnership secretariat	(271 318)	
Other fiduciary funds	(463 772)	(464 265)
Health Metrics Network	(1 515 962)	(3 598)
Partnership for Maternal, Newborn and Child Health	(1 730 119)	(10 356)
Secretariat of the WHO Framework Convention on Tobacco Control	(1 894 132)	1 148 659
Total	103 890 859	107 704 847

6.9 Special Account for Servicing Costs Fund

This account was established in order to support the costs of servicing activities financed from sources other than the assessed contribution budget (i.e. from voluntary contributions).

The Account is credited with income from the following sources:

- (i) under resolution WHA34.17, funds received for support costs from voluntary sources, including funds-in-trust arrangements with governments and other entities, and the Voluntary Fund for Health Promotion. Amounts are calculated by applying a fixed percentage rate to total project expenditures;
- (ii) administrative service agreements with other entities; and
- (iii) interest earned on Voluntary Funds as described in document EB122/3.

In 2010 the Organization revised the accounting for support costs earnings. The support cost revenue is earned on the basis of related programmatic expenditure and is no longer earned at the point of revenue recognition. The programme support costs charged to the project and the corresponding revenue to the support cost fund continue to be eliminated and are not reflected in the Statement of Financial Performance. This more conservative policy has reduced the overall fund balance in the Special Account for Servicing Costs Fund.

	2010	2009 (re-stated)
Balance as at 1 January	42 558 507	41 846 396
Revenue		
Programme support costs	110 695 170	203 085 411
Interest	7 314 850	29 356 107
Administrative service agreements with other entities	5 969 707	12 747 026
Other income	687 411	2 143 828
WHA appropriations (resolutions WHA60.8 and WHA61.6)		19 939 792
Hedging operations		5 195 706
Total revenue	124 667 138	272 467 870
Expenses		
Global and interregional activities	33 602 369	132 478 717
Regional Office for Africa	15 089 539	49 433 964
Regional Office for the Eastern Mediterranean	7 184 159	26 703 727
Regional Office for the Americas	6 834 086	4 257 914
Regional Office for the Western Pacific	6 134 862	14 654 600
Regional Office for South-East Asia	5 870 133	24 515 954
Regional Office for Europe	1 333 154	19 710 883
Total expenses	76 048 302	271 755 759
Balance as at 31 December	91 177 344	42 558 507

Programme budget implementation

Schedule 1

Statement of performance by major funds

	General Fund				Special Purpose Fund	Enterprise Fund	Fiduciary Fund	Eliminations	Total	Percentage
	Regular Budget	Voluntary Contributions	Eliminations	Subtotal						
Operating revenue										
Member States' assessments	472 557 200	-		472 557 200	-	-	-		472 557 200	
Assessed contributions provision	104 155 946	-		104 155 946	-	-	-		104 155 946	
Voluntary contributions		1 471 163 792		1 471 163 792	219 384	-	93 886 147		1 565 269 322	
In-kind and in-service contributions		138 726 781		138 726 781			123 000		138 849 781	
Procurement activities	-			-	-	23 157 725			23 157 725	
Other operating revenue	3 512 910	7 401 282		10 914 193	72 128 729	5 699 251	-	70 148 574	18 593 599	
Programme support costs revenue		110 695 170	99 015 149	11 680 021				11 680 021	-	
Total operating revenue	580 226 057	1 727 987 025	99 015 149	2 209 197 932	72 348 113	28 856 976	94 009 147	81 828 595	2 322 583 573	
Operating expenses										
Staff and other personnel costs	383 374 299	553 625 413		936 999 712	27 542 831	4 112 493	46 561 463	70 148 574	945 067 926	45%
Contractual services	27 883 325	244 245 121		272 128 446	12 406 664	952 448	13 315 948		298 803 507	14%
Direct financial cooperation	13 550 643	279 547 531		293 098 174	312 654	25 000	2 316 930		295 752 758	14%
Medical supplies	431 334	165 366 552		165 797 886	339 067	15 810 260	43 399 483		225 346 696	11%
Travel	16 623 301	131 835 628		148 458 929	4 911 542	79 845	8 053 757		161 504 072	8%
General operating expenses	24 976 676	61 278 543		86 255 219	16 354 302	878 546	2 295 375		105 783 443	5%
Equipment, vehicles and furniture	3 824 197	38 189 109		42 013 306	3 414 881	362 386	70 723		45 861 296	2%
Project support costs	-	99 015 149	99 015 149	-	2 465	2 724 424	8 953 132	11 680 021	-	
Total operating expenses	470 663 775	1 573 103 047	99 015 149	1 944 751 673	65 284 405	24 945 401	124 966 812	81 828 595	2 078 119 697	100%
Surplus/(deficit) from operations	109 562 281	154 883 978		264 446 260	7 063 708	3 911 574	(30 957 665)		244 463 876	
Transfers between funds	(32 000 000)	(620 298)		(32 620 298)	32 000 000	620 298				
Financial revenue and expense	1 004 545	9 350 812		10 355 357	1 773 840	-	27 143 676		39 272 873	
Undistributed exchange differences									2 939 597	
Total surplus/(deficit) for the period	78 566 826	163 614 492		242 181 318	40 837 549	4 531 872	(3 813 989)	-	286 676 346	
Fund balance - 1 January 2010	(55 409 734)	1 432 435 490		1 377 025 756	28 827 418	28 950 068	107 704 847	-	1 542 508 089	
Fund balance - 31 December 2010	23 157 092	1 596 049 982		1 619 207 074	69 664 966	33 481 940	103 890 859	-	1 829 184 436	

Schedule 1.1

General Fund expenditure

	Programme budget 2010-2011			Programme budget 2008-2009			Total General Fund Expense
	Assessed	Voluntary	Total from	Assessed	Voluntary	Total from	
	Contributions Expense	Funds Expense	Programme budget 2010-2011	Contributions Expense	Funds Expense	Programme budget 2008-2009	
Strategic objectives							
1 Communicable diseases	34 366 678	702 875 924	737 242 603	151 606	21 387 857	21 539 463	758 782 066
2 HIV/AIDS, tuberculosis and malaria	18 846 064	198 451 214	217 297 279	122 661	8 930 146	9 052 807	226 350 086
3 Chronic noncommunicable conditions	18 029 334	22 220 224	40 249 558	417 852	878 240	1 296 092	41 545 649
4 Child, adolescent, maternal, sexual and reproductive health, and ageing	22 037 452	66 255 984	88 293 436	323 099	5 856 277	6 179 376	94 472 812
5 Emergencies and disasters	6 736 104	129 439 477	136 175 582	77 351	1 407 816	1 485 167	137 660 749
6 Risk factors for health	14 323 796	29 937 755	44 261 551	359 451	3 513 583	3 873 034	48 134 585
7 Social and economic determinants of health	6 767 245	9 137 527	15 904 772	56 548	394 617	451 164	16 355 937
8 Healthier environment	12 990 707	24 289 547	37 280 255	105 524	1 554 867	1 660 391	38 940 646
9 Nutrition and food safety	8 916 729	18 457 392	27 374 121	72 030	289 615	361 645	27 735 766
10 Health systems and services	55 752 598	79 908 660	135 661 258	893 972	9 269 825	10 163 797	145 825 055
11 Medical products and technologies	12 109 916	52 692 721	64 802 637	177 996	2 594 798	2 772 795	67 575 432
12 WHO leadership, governance, and partnerships	106 682 129	22 191 092	128 873 221	1 028 924	1 591 146	2 620 070	131 493 291
13 Enabling and support functions	139 128 430	49 447 078	188 575 508	2 755 441	11 262 477	14 017 918	202 593 426
Total	456 687 185	1 405 304 596	1 861 991 781	6 542 456	68 931 263	75 473 719	1 937 465 500
Non-programme budget utilization							
Tax Equalization Fund			7 434 135				7 434 135
Other non-programme budget utilization			(147 962)				(147 962)
Total non-programme budget utilization			7 286 173				7 286 173
Total expenditure - General Fund			1 869 277 954				1 944 751 673

Schedule 2

Programme budget utilization 2010–2011 – General Fund

	Programme budget (PB)	Programme budget utilization			Balance	Percentage implementation
		Expense	Encumbrance ^{1/}	Total	PB	PB
Strategic objectives						
1 Communicable diseases	1 268 353 000	737 242 603	42 148 068	779 390 671	488 962 329	61%
2 HIV/AIDS, tuberculosis and malaria	633 880 000	217 297 279	29 237 428	246 534 707	387 345 293	39%
3 Chronic noncommunicable conditions	145 949 000	40 249 558	3 018 792	43 268 349	102 680 651	30%
4 Child, adolescent, maternal, sexual and reproductive health, and ageing	332 698 000	88 293 436	5 303 807	93 597 243	239 100 757	28%
5 Emergencies and disasters	364 023 000	136 175 582	25 977 767	162 153 349	201 869 651	45%
6 Risk factors for health	161 680 000	44 261 551	2 660 816	46 922 367	114 757 633	29%
7 Social and economic determinants of health	62 647 000	15 904 772	1 280 978	17 185 750	45 461 250	27%
8 Healthier environment	114 364 000	37 280 255	2 707 309	39 987 564	74 376 436	35%
9 Nutrition and food safety	120 385 000	27 374 121	1 676 212	29 050 333	91 334 667	24%
10 Health systems and services	474 204 000	135 661 258	10 596 542	146 257 801	327 946 199	31%
11 Medical products and technologies	115 127 000	64 802 637	3 639 884	68 442 521	46 684 479	59%
12 WHO leadership, governance, and partnerships	222 717 000	128 873 221	1 695 245	130 568 466	92 148 534	59%
13 Enabling and support functions	523 887 000	188 575 508	8 199 867	196 775 375	327 111 625	38%
Programme budget utilization	4 539 914 000	1 861 991 781	138 142 715	2 000 134 496	2 539 779 504	44%
<i>Non-programme budget utilization</i>						
Tax Equalization Fund		7 434 135		7 434 135		
Other non-programme budget utilization		(147 962)		(147 962)		
<i>Total non-programme budget utilization</i>		<u>7 286 173</u>		<u>7 286 173</u>		
Total expenditure - General Fund		<u>1 869 277 954</u>		<u>2 007 420 669</u>		

^{1/} Encumbrance equals a firm commitment or obligation for goods and services which have not yet been delivered.

Schedule 2.1

Programme budget utilization 2010–2011 – assessed contributions

	Programme budget (PB)	Programme budget utilization			Balance PB	Percentage implementation PB
		Expense	Encumbrance ^{1/}	Total		
Strategic objectives						
1 Communicable diseases	74 035 000	34 366 678	1 533 433	35 900 111	38 134 889	48%
2 HIV/AIDS, tuberculosis and malaria	40 762 000	18 846 064	966 944	19 813 008	20 948 992	49%
3 Chronic noncommunicable conditions	38 038 000	18 029 334	1 339 521	19 368 855	18 669 145	51%
4 Child, adolescent, maternal, sexual and reproductive health, and ageing	46 497 000	22 037 452	913 916	22 951 368	23 545 632	49%
5 Emergencies and disasters	16 090 000	6 736 104	267 939	7 004 044	9 085 956	44%
6 Risk factors for health	31 368 000	14 323 796	639 136	14 962 933	16 405 067	48%
7 Social and economic determinants of health	15 456 000	6 767 245	288 484	7 055 729	8 400 271	46%
8 Healthier environment	30 198 000	12 990 707	486 149	13 476 856	16 721 144	45%
9 Nutrition and food safety	18 748 000	8 916 729	418 838	9 335 567	9 412 433	50%
10 Health systems and services	130 799 000	55 752 598	4 512 985	60 265 583	70 533 417	46%
11 Medical products and technologies	27 631 000	12 109 916	747 880	12 857 796	14 773 204	47%
12 WHO leadership, governance, and partnerships	179 551 000	106 682 129	1 203 407	107 885 536	71 665 464	60%
13 Enabling and support functions	294 667 000	139 128 430	5 052 574	144 181 004	150 485 996	49%
Programme budget utilization	943 840 000	456 687 185	18 371 207	475 058 392	468 781 608	50%
<i>Non-programme budget utilization</i>						
Tax Equalization Fund		7 434 135		7 434 135		
<i>Total non-programme budget utilization</i>		<i>7 434 135</i>		<i>7 434 135</i>		
Total expenditure - assessed contributions		464 121 320		482 492 527		

^{1/} Encumbrance equals a firm commitment or obligation for goods and services which have not yet been delivered.

Schedule 2.2

Programme budget utilization 2010–2011 – voluntary funds

	Programme budget (PB)	Programme budget utilization			Balance PB	Percentage implementation PB
		Expense	Encumbrance ^{1/}	Total		
Strategic objectives						
1 Communicable diseases	1 194 318 000	702 875 924	40 614 635	743 490 559	450 827 441	62%
2 HIV/AIDS, tuberculosis and malaria	593 118 000	198 451 214	28 270 484	226 721 699	366 396 301	38%
3 Chronic noncommunicable conditions	107 911 000	22 220 224	1 679 270	23 899 494	84 011 506	22%
4 Child, adolescent, maternal, sexual and reproductive health, and ageing	286 201 000	66 255 984	4 389 890	70 645 874	215 555 126	25%
5 Emergencies and disasters	347 933 000	129 439 477	25 709 828	155 149 305	192 783 695	45%
6 Risk factors for health	130 312 000	29 937 755	2 021 680	31 959 434	98 352 566	25%
7 Social and economic determinants of health	47 191 000	9 137 527	992 494	10 130 021	37 060 979	21%
8 Healthier environment	84 166 000	24 289 547	2 221 161	26 510 708	57 655 292	31%
9 Nutrition and food safety	101 637 000	18 457 392	1 257 374	19 714 766	81 922 234	19%
10 Health systems and services	343 405 000	79 908 660	6 083 558	85 992 218	257 412 782	25%
11 Medical products and technologies	87 496 000	52 692 721	2 892 004	55 584 725	31 911 275	64%
12 WHO leadership, governance, and partnerships	43 166 000	22 191 092	491 838	22 682 930	20 483 070	53%
13 Enabling and support functions	229 220 000	49 447 078	3 147 293	52 594 371	176 625 629	23%
Programme budget utilization	3 596 074 000	1 405 304 596	119 771 508	1 525 076 104	2 070 997 896	42%
<i>Non-programme budget utilization</i>						
Other non-programme budget utilization		(147 962)		(147 962)		
<i>Total non-programme budget utilization</i>		(147 962)		(147 962)		
Total expenditure - voluntary funds		1 405 156 634		1 524 928 142		

^{1/} Encumbrance equals a firm commitment or obligation for goods and services which have not yet been delivered.

Schedule 3

Programme budget utilization 2008–2009 – assessed contributions

	Unimplemented ^{1/} Programme budget 2008-2009	Encumbrance ^{1/} Balance 2008-2009	Total Available for 2010	Expenditure in 2010-2011	Remaining Encumbranc	Balance Programme budget 2008-2009	
Strategic objectives							
1	Communicable diseases	(566 441)	621 305	54 864	151 606	100 544	(197 287)
2	HIV/AIDS, tuberculosis and malaria	(376 752)	187 947	(188 805)	122 661	8 393	(319 860)
3	Chronic noncommunicable conditions	2 305 651	593 362	2 899 013	417 852	480	2 480 681
4	Child, adolescent, maternal, sexual and reproductive health and ageing	4 860 936	451 243	5 312 179	323 099	3 802	4 985 278
5	Emergencies and disasters	(1 308 134)	151 696	(1 156 438)	77 351	868	(1 234 657)
6	Risk factors for health	3 447 832	489 130	3 936 962	359 451	(2 677)	3 580 188
7	Social and economic determinants of health	(2 282 949)	67 502	(2 215 447)	56 548		(2 271 995)
8	Healthier environment	(1 091 490)	244 130	(847 360)	105 524	6 745	(959 630)
9	Nutrition and food safety	2 048 512	140 929	2 189 441	72 030	563	2 116 848
10	Health systems and services	(6 124 410)	1 325 795	(4 798 615)	893 972	17 086	(5 709 672)
11	Medical products and technologies	(114 220)	319 685	205 465	177 996	14	27 454
12	WHO leadership, governance and partnerships	(5 096 661)	1 372 144	(3 724 517)	1 028 924	14 596	(4 768 037)
13	Enabling and support functions	14 413 163	3 406 074	17 819 237	2 755 441	22 883	15 040 913
Programme budget utilization		10 115 038	9 370 940	19 485 978	6 542 456	173 298	12 770 224

^{1/} Agree with ending balance from 2008-2009 Financial Report (Schedule 2.1)

