



# WORLD HEALTH ORGANIZATION

**EXECUTIVE BOARD**  
**107th Session**  
**Provisional agenda item 4**

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## Miscellaneous income

1. The revised Financial Regulations approved by the Health Assembly (resolution WHA53.6) set out provisions governing the application of Miscellaneous Income. Regulation VIII specifies the components and Regulation V describes the application of Miscellaneous Income. In the event that the Executive Board at its 107th session confirms the revised Financial Rules, the new Financial Regulations and Financial Rules will come into effect in 2001.<sup>1</sup>
2. The provisions of Financial Regulations VIII and V replace the previous practices with respect to casual income, namely, that certain income and expenditures were accounted as casual income and the balance appropriated to Member States as part payment of their assessed contributions, or for other purposes including health programmes. These appropriations were often ad hoc and made in parallel to, but not as part of, the regular budget process.
3. Transitional arrangements for the financial incentive scheme and the Real Estate Fund are also referred to in the present document, since both items are financed from casual income.
4. The Programme budget for 2000-2001 was approved by the Fifty-third World Health Assembly in 1999. Consequently, certain components of the operation of casual income will continue through 2000-2001, namely:
  - (a) the amounts due to Member States under the former financial incentive scheme, i.e. amounts earned by Members in respect of payment of assessed contributions made up to and including for 2000, will be charged to casual income;
  - (b) the amounts that will be earned by Member States under the new financial incentive scheme in respect of payment of contributions made in 2001 will be credited to them in 2001 and be charged against interest income earned in 2001, also through casual income;
  - (c) financing for the Real Estate Fund to cover expected expenditure up to 31 May 2001, which the Health Assembly has already appropriated. Expenditure envisaged for the period 1 June 2001 to 31 May 2002 will be proposed for appropriation by the Fifty-fourth World Health Assembly from casual income;
  - (d) any remaining balance of casual income, which will be carried forward.

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<sup>1</sup> See document EB107/13.

5. A Miscellaneous Income budget for the biennium 2002-2003 will be submitted together with the proposed programme budget for approval at the Fifty-fourth World Health Assembly. In compliance with the requirements of Article 55 of the Constitution, this Miscellaneous Income budget would be submitted to the Fifteenth meeting of the Administrative, Budget and Finance Committee in May 2001 for consideration on behalf of the Board.

6. Income will be projected on the basis of historical experience and any expected developments that might influence the level of income in the future. The main components of such income will be interest earned on regular budget funds and savings on unliquidated obligations. Income will be budgeted conservatively, which means that no savings will be planned under the Exchange Rate Facility.

7. The following expenditures will be budgeted for:

- (a) the Real Estate Fund, based upon a five-year rolling plan;
- (b) the information technology fund, based upon a five-year rolling plan;
- (c) the financial incentive scheme, based upon expected earnings accruing to Member States (using historical experience for payment of assessed contributions and projected interest rates);
- (d) the cost of an option – or insurance – to provide a limit for the Exchange Rate Facility;<sup>1</sup>
- (e) an amount equivalent to the limit for the Exchange Rate Facility;

Foreign exchange gains and losses on transactions and cash balances will be budgeted at zero.

8. Compilation of budgeted projections for both income and expenditure will produce a balance, which may be proposed to the Health Assembly either for priority health programmes or for credit to Member States against payment of assessed contributions.

9. It will be clear after closure of the biennium 2002-2003 whether surplus miscellaneous income has been generated. In accordance with new Financial Regulation V, in the event that the income falls short of that budgeted for 2002-2003, the Director-General will be obliged to adjust expenditure during 2002-2003 in order to avoid overspending.

10. Should there be surplus income, it will be carried forward to the biennium 2006-2007 as part of the budgeting process for that biennium, which takes place in 2004-2005.

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<sup>1</sup> See also document EB107/INF.DOC./1.