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## Director-General's report

### I. Introduction

I am pleased to present the Financial Report of WHO for the period 2006–2007. The Report is submitted in accordance with Article 34 of the Constitution and WHO's Financial Regulations. The Financial Report for the biennium 2006–2007 has been prepared in accordance with United Nations System Accounting Standards and WHO's Financial Regulations and Financial Rules. It covers the regular budget as adopted by the Health Assembly<sup>1/</sup> and expenditure financed from other sources, which was considered by the Executive Board at its 120th session.<sup>2/</sup>

The Financial Report of WHO aims to provide transparency and accessibility of financial information for the Organization. The Financial Report is an important element in the overall framework of accountability and financial integrity of the Organization. It enables Member States and other partners and collaborators to see how their funds have been used. The assets and liabilities of the Organization are also detailed, and the cash flow is analysed, to enable readers to understand the financial status of the Organization. The statutory components of the Financial Report have been audited by the Organization's External Auditor, whose opinion is included.

### II. Financial highlights

Financial highlights (US\$ millions)			
	2006–2007	2004–2005	% Increase
<b>Budget</b>			
Regular budget: 2006–2007 effective working budget was appropriated by resolution WHA58.4	915	880	4%
2006–2007 Voluntary contributions, as considered by the Executive Board <sup>a/</sup>	2 755	1 944	42%
<b>Total budget</b>	<b>3 670</b>	<b>2 824</b>	<b>30%</b>
<b>Income</b>			
Regular budget	893	860	4%
Voluntary contributions			
<i>Voluntary Fund for Health Promotion</i>	2 841	1 723	65%
<i>WHO trust funds and United Nations programmes</i>	523	401	30%
Total income WHO programme activities	4 257	2 984	43%
<i>Non-WHO programme activities<sup>b/</sup></i>	1 171	540	117%
<b>Total income</b>	<b>5 428</b>	<b>3 524</b>	<b>54%</b>
<b>Expenditure</b>			
Regular budget	899	871	3%
Voluntary contributions			
<i>Voluntary Fund for Health Promotion</i>	1 911	1 623	18%
<i>WHO trust funds and United Nations programmes</i>	288	235	23%
Total expenditure WHO programme activities	3 098	2 729	14%
<i>Non-WHO programme activities<sup>b/</sup></i>	1 011	628	61%
<b>Total expenditure</b>	<b>4 109</b>	<b>3 357</b>	<b>22%</b>

<sup>a/</sup> See document EB119/2006–EB120/2007/REC/2, summary record of the second meeting of the 120th session of the Board, section 2.

<sup>b/</sup> Non-WHO programme activities include trust funds of various programmes and entities, such as the Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS); the International Agency for Research on Cancer (IARC); the Global Fund to Fight AIDS, Tuberculosis and Malaria; the International Computing Centre; and the Staff Health Insurance Fund.

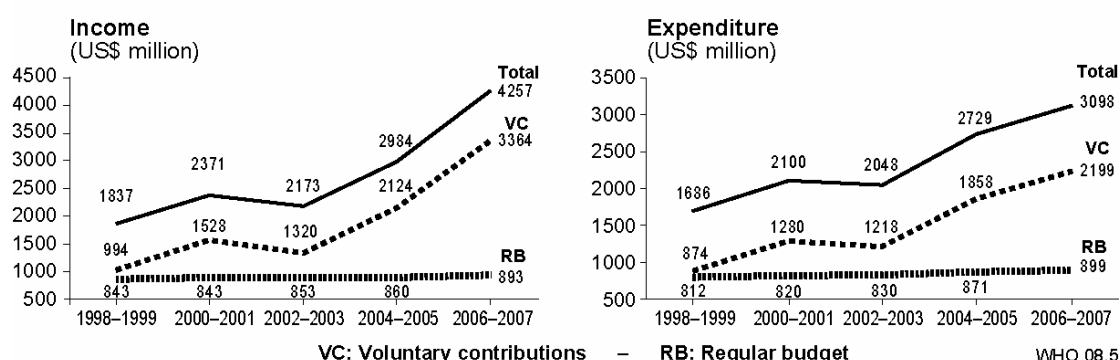
<sup>1/</sup> Resolution WHA58.4.

<sup>2/</sup> See document EB119/2006–EB120/2007/REC/2, summary record of the second meeting of the 120th session of the Board, section 2.

The increase in income from voluntary contributions reflects the continually changing pattern of funding the Organization. In 2006–2007 the regular budget represented only 21% of the actual total income in 2006–2007, compared with 29% in 2004–2005.

Total income in 2006–2007 for WHO programme activities was US\$ 4257 million, which represented a 43% increase on US\$ 2984 million income for 2004–2005. This higher level of income was the result of both an increase in contributions and the change in income recognition policy, following which income in 2006–2007 was recognized at signature of donor agreements rather than at cash receipt. This accounting policy change is consistent with the new International Public Sector Accounting Standards (IPSAS) being progressively implemented across the United Nations system. The higher level of income enabled WHO to meet the significantly increased programmatic activity that was planned for the biennium 2006–2007. The trend of rising income and expenditure/implementation highlighted in Figure 1 below is welcome in view of the increasing demands being made on the Organization.

**Figure 1. WHO programme activities**

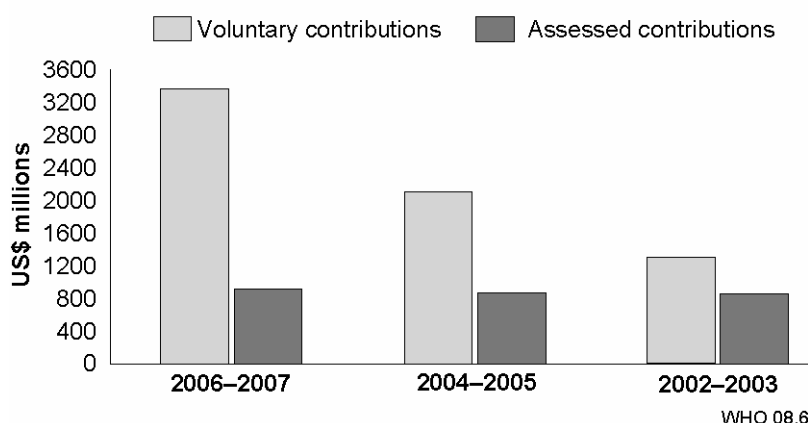


Expenditure of US\$ 3098 million was incurred in achieving the expected results for the biennium 2006–2007 against a total budget for WHO programme activities of US\$ 3670 million, resulting in an overall financial implementation rate of 84%. Within this figure, the implementation rate for the regular budget was 98%. This is the highest rate achievable given the need to withhold some of the budget as a contingency in view of the possibility of non-payment of assessed contributions by some Member States, and in respect of which it was not prudent to increase borrowing. For voluntary contributions the rate achieved was 80%. The continuing growth in funding for the Organization is most encouraging, however the rate of implementation is lower than in previous bienniums. This is partially the result of a further accounting policy change, also part of the implementation of the new accounting standards, which changes the timing at which expenditure is recorded, moving it to the point at which goods and services are delivered, as opposed to when commitments are entered.

### III. Financing the budget

Total programme income increased by 43%. Voluntary contributions increased by 58%, which helped to offset the almost static regular budget. This has fundamentally shifted the overall funding structure of the Organization (see Figure 2 below).

**Figure 2. Assessments and voluntary contributions 2002–2007**

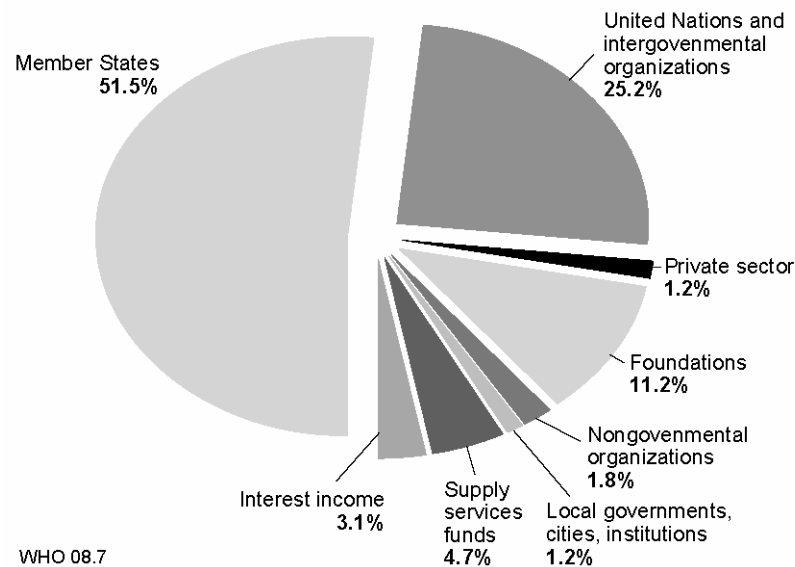


During the biennium, the evolution of voluntary contribution income was not always consistent. Timing of receipt of large contributions and significant shifts in income from certain United Nations trust funds can cause availability of resources to be uneven in terms of both timing and alignment with the approved programme budget.

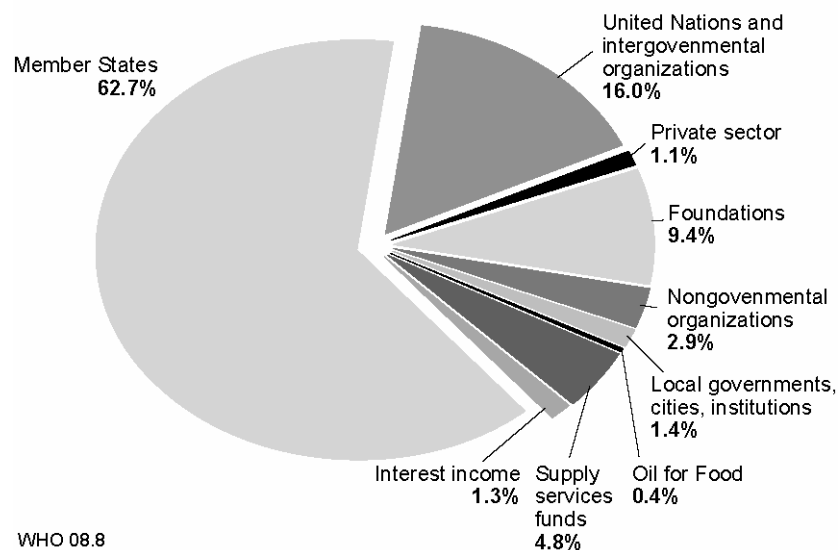
A full analysis of extrabudgetary resources for 2006–2007 is contained in the Annex to the Audited Financial Report for the biennium 2006–2007.<sup>1/</sup>

Member States continue to be an important source of voluntary contributions, which represented approximately 52% of all voluntary contributions income (or US\$ 1422 million) during the biennium 2006–2007. However, this figure fell in percentage terms from approximately 63% (or US\$ 1268 million) in 2004–2005, as illustrated in Figures 3 and 4 below. In United States dollar terms Member States' contributions which increased compared with 2004–2005 but declined in relative terms compared with contributions from United Nations and intergovernmental organizations, under which the majority of the Organization's partnership funds are recorded. These amounts were US\$ 696 million in 2006–2007 and US\$ 317 million in 2004–2005.

**Figure 3. Voluntary contributions for WHO programme activities  
2006–2007**



**Figure 4. Voluntary contributions for WHO programme activities  
2004–2005**

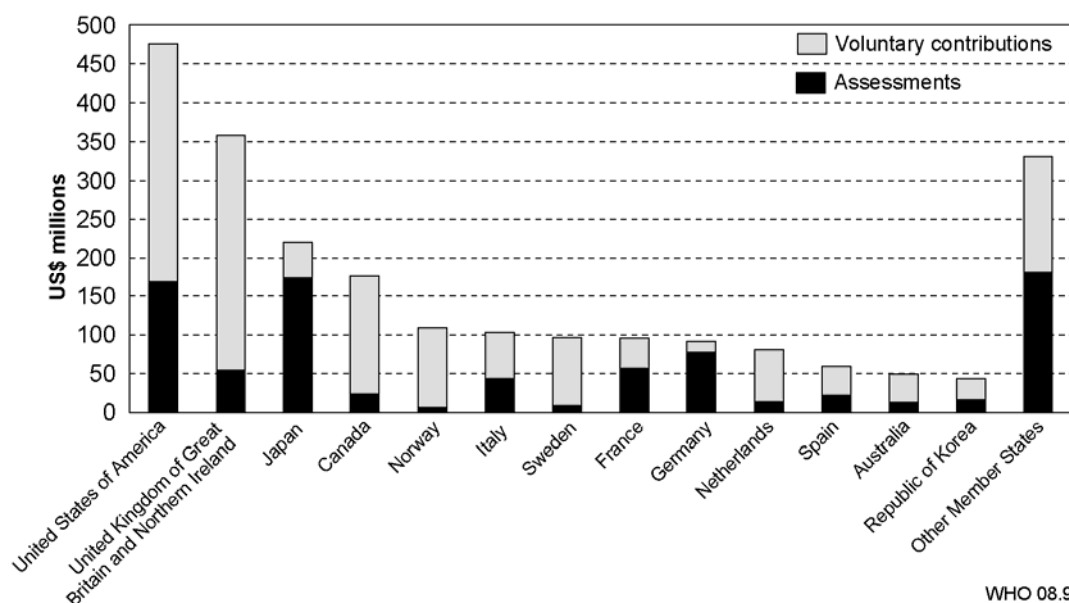


<sup>1/</sup> Document A61/20 Add.1.

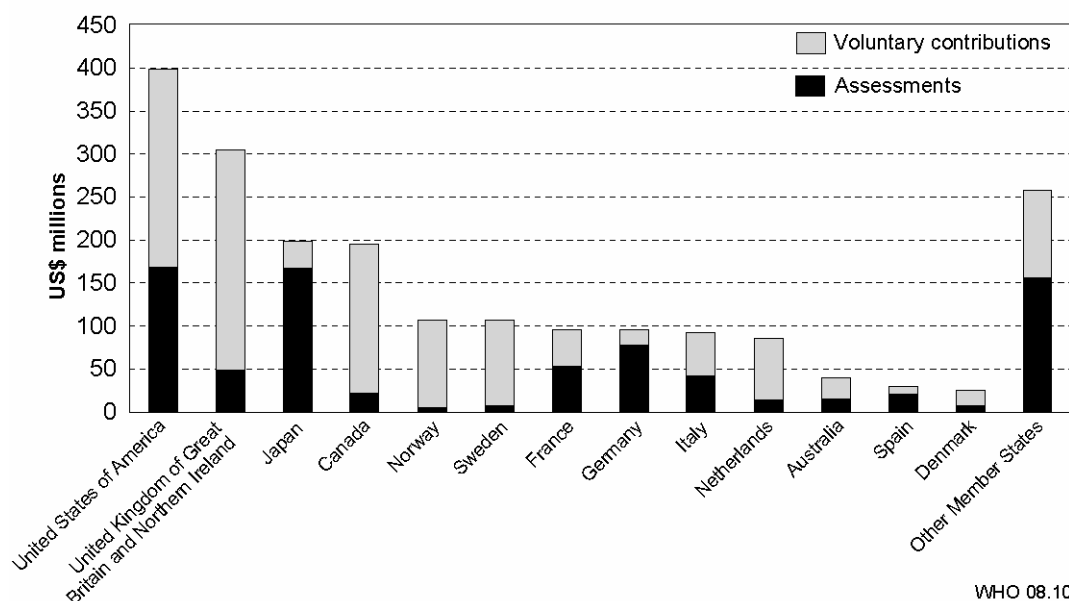
Combining regular budget and voluntary contributions, Member States provided 54% of the total income in 2006–2007, compared with 71% in 2004–2005. This again highlights the shifting of the Organization’s donor base.

Total contributions from Member States, including both regular budget assessments and voluntary contributions for the biennium 2006–2007 and for the biennium 2004–2005 are shown in Figures 5 and 6 below. These charts indicate that the Organization continues to rely heavily on a relatively small number of Member States as a major source of financing of the budget.

**Figure 5. Assessments and voluntary contributions from Member States 2006–2007**



**Figure 6. Assessments and voluntary contributions from Member States 2004–2005**



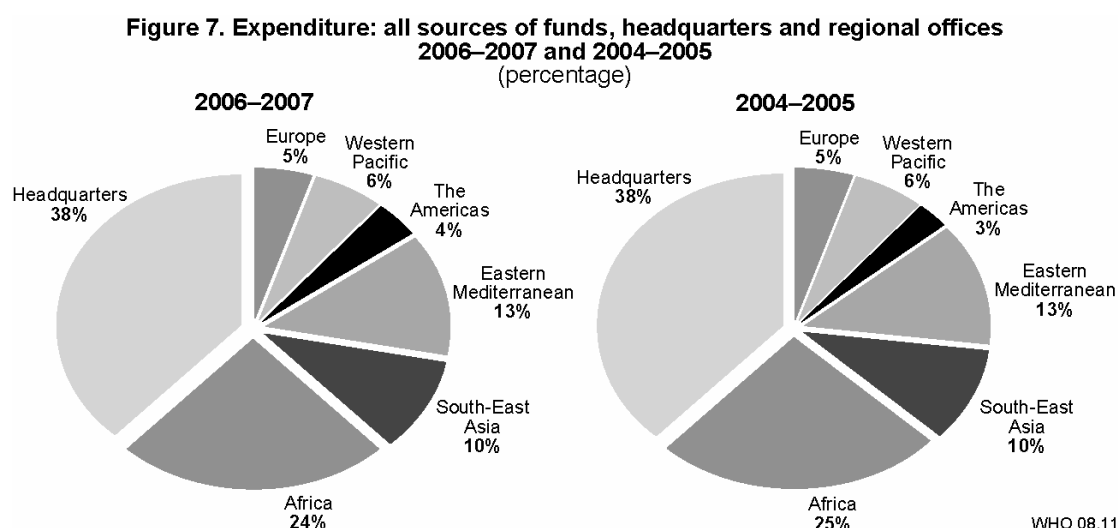
The regular budget is financed by assessed contributions and Miscellaneous Income. Net assessments in 2006–2007 were US\$ 902 million, of which US\$ 853 million were collected during the biennium, a collection rate of 95%, which is consistent with recent bienniums. In order to achieve the regular budget implementation rate of 98%, the Working Capital Fund of US\$ 31 million was fully drawn down and was supplemented by US\$ 1.8 million of internal borrowing. Although the overall implementation rate of 98% is an excellent achievement, it is a

concern that in 2006–2007 US\$ 49 million, or 5% of assessed contributions, were not paid. Total unpaid assessed contributions, including amounts due for previous financial periods, are US\$ 140 million. Within this figure, long-term arrears stand at US\$ 91 million. Discussions are continuing with those Member States with long-term arrears so that repayment plans may be put forward for consideration by the Health Assembly. I am pleased to note that a number of such repayment plans were approved during the biennium, and that as a result some Member States with longstanding arrears have recently resumed payments. I take this opportunity to encourage those Member States which experience difficulty in paying their arrears to discuss payment arrangements with the Secretariat so that their proposals may be submitted to the Health Assembly for its consideration.

Miscellaneous Income is used to finance the regular budget by reducing the amount payable on assessed contributions. For 2006–2007 income under this account was US\$ 53 million, of which, US\$ 42 million were budgeted in order to finance in part the regular budget, to meet the requirements of the adjustment mechanism and the financial incentive scheme, and to set up costs for the global management system.

#### IV. Expenditure

During 2006–2007, country and regional offices accounted for 62% of expenditure, and headquarters for 38%. This is unchanged from the previous biennium. Figure 7 below shows, as a percentage, expenditure from all sources of funds by office, i.e. headquarters and each regional office (including country offices) for 2006–2007 and for 2004–2005.



#### V. Liquidity management

The financial stability of the Organization depends not only upon timely receipt of income but also on effective management of liquidity and foreign-exchange risk, and on appropriate investment and foreign-exchange policies. In this regard, I receive advice from an expert advisory committee that regularly reviews performance and makes recommendations on the strategy to adopt in the light of market conditions, and given the paramount importance of preserving capital.

##### *Investment management operations*

Total cash and investments for the Organization at 31 December 2007 were US\$ 2587 million, the investment of which is summarized in Schedule 1 of the Financial Report. The investments are primarily short term, being held in respect of programmes financed under the regular budget, and other resources, for which cash has yet to be expended. The interest earned on investments amounted to US\$ 208 million.

Of the total investment amount noted above, US\$ 1135 million is related to non-WHO programme activities, of which US\$ 443 million are held the Staff Health Insurance Fund and the Terminal Payments Account, and a further amount of US\$ 692 million is invested on behalf of other non-WHO entities.

### ***Foreign currency hedging operations***

The value of certain non-United States dollar regular budget expenditures has been protected from the impact of the declining value of the dollar during the biennium. Protection is effected by entering forward currency and option contracts. A total of US\$ 8 million resulting from the cash flow of these operations was credited against regular-budget expenditures in 2006–2007. However, the weaker dollar had a significant effect on its purchasing power for the biennium 2006–2007, especially against payments made in relation to the euro, Swiss franc and Danish kroner. Compared with 2004–2005, it is estimated that the United States dollar cost of non-dollar denominated expenditures was approximately US\$ 50 million higher in 2006–2007.

## **VI. Conclusion**

I have noted the comments made by the External Auditor in his long-form report to the Health Assembly. All the matters raised will be considered promptly by the Secretariat and appropriate action will be taken.

It is noted that financial resources received through partnerships and other entities have increased considerably. This change, coupled with the continuing growth in WHO's financial resources managed by the Organization, has created increased complexity. The introduction of new financial managerial and accounting systems during 2008, combined with the continuing modernization of the Organization's accounting policies and procedures, and of its financial reporting, will further improve the overall quality of financial reporting.



Dr Margaret Chan  
Director-General

Geneva, 19 March 2008



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***Audited financial statements,  
notes to the accounts and schedules  
2006-2007***

The Financial Report presents the overall financial position of the Organization as at 31 December 2007. The audited statements, notes and supporting schedules have been prepared in compliance with the requirements of the Financial Regulations, Financial Rules and the United Nations System Accounting Standards. The notes to the accounts are an integral part of the financial statements; the schedules provide further details and explanations in support of individual funds and special accounts administered by the Organization. Where appropriate, comparative figures are provided in respect of the previous biennium.

## **Certification of financial statements**

The attached statements, numbered I to IV, notes to the accounts and schedules 1 to 13, are approved.



Nicholas R. Jeffreys  
Comptroller



Dr Margaret Chan  
Director-General

19 March 2008



भारत के नियंत्रक - महालेखापरीक्षक  
COMPTROLLER & AUDITOR GENERAL OF INDIA

VINOD RAI

28 March, 2008

### LETTER OF TRANSMITTAL

**The President of the World Health Assembly  
World Health Organization  
CH-1211 Geneva 27  
Switzerland**

**Dear Sir/Madam,**

I have the honour to present to the Sixty-First World Health Assembly my Report and Opinion on the Financial Statements of the World Health Organization for the biennium ended 31 December 2007.

In transmitting my Report I wish to advise that, in accordance with the World Health Organization's Financial Regulations, I have given the Director-General the opportunity to comment on my Report and it is issued on the basis of the assurance that she does not have any significant comment.

**Yours sincerely**

**Vinod Rai  
Comptroller and Auditor-General of India  
External Auditor**

## **Opinion of the External Auditor**

To the World Health Assembly

We have audited the accompanying financial statements, comprising Statements I to IV, Schedules 1 to 13 and the supporting Notes of the World Health Organization for the financial period ended 31 December 2007. These financial statements are the responsibility of the Director-General. My responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency and conforming with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Director-General, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for the audit opinion.

In my opinion, these financial statements present fairly, in all respects, the financial position of the World Health Organization as at 31 December 2007 and the results of operations and cash flows for the period then ended in accordance with the stated accounting policies set out in the Statement of Accounting Policies, which were applied on a basis consistent with that of the preceding financial period.

Further, in my opinion, the transactions of the World Health Organization which we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Legislative Authority.

In accordance with Regulation XIV of the Financial Regulations, I have also issued a long-form report on my audit of the World Health Organization's financial statements.



**Vinod Rai**  
**Comptroller and Auditor-General of India**  
**External Auditor**  
**New Delhi, India**  
**28 March, 2008**

## Statement I

### Consolidated statement of income and expenditure and changes in fund balances: all sources of funds Financial period 2006-2007

(in thousands of US dollars)

		Regular Budget <sup>a/</sup> (Schedules 4,5)	Voluntary Fund for Health Promotion (A61/20 Add.1)	Other WHO funds (Statement I.1)	WHO programme activities (Statements I.2, I.3)	Non-WHO programme activities (Statement I.4)
Reference						
<b>Income:</b>	Note 2.5					
<i>Assessed contributions:</i>						
For the effective working budget (2006-2007)		893 115		9 114		
Adjustment mechanism (WHA58.4)		(8 655)				
Financial incentive scheme		(4 051)				
New and formerly inactive Members				6		
<i>Total assessed contributions</i>		880 409		9 120		
<i>Voluntary contributions:</i>						
WHO programme activities			2 760 875		312 949	
Non-WHO programme activities						1 158 152
<i>Other income:</i>						
Revenue-producing activities	Note 5			9 093	47	
Funds under inter-organization arrangements	Note 13				23 394	
Income from services rendered	Note 6			193 166		
Interest income: - interest			79 819	40 174	5 425	77 027
-shared exchange differential				5 240		
Other				51 130	650	189 683
<i>Total income</i>		880 409	2 840 694	307 923	342 465	1 424 862
<b>Expenditure:</b>	Notes 2.7, 9					
WHO programme activities		898 626	1 911 442	280 340	332 797	
Non-WHO programme activities				44 146		1 009 733
<i>Total expenditure</i>		898 626	1 911 442	324 486	332 797	1 009 733
<b>Excess (shortfall) of income over expenditure</b>		(18 217)	929 252	(16 563)	9 668	415 129
Provision for delays in the collection of assessed contributions		(49 499)				
Payment of assessed contributions of prior periods	Note 10	44 034		11 100		
Savings on prior periods' unliquidated obligations				6 920	8 389	11 037
Increase in Capital Assets						
Transfers between funds	Annex 1	34 906	1 222	(41 906)	5 778	
Adjustments to fund balances			(9 702)	(47)	(811)	(423)
<b>Total changes in fund balances</b>	Statement III	11 224	920 772	(40 496)	23 024	425 743
<b>Fund balances - 1 January 2006</b>	Statement II	(13 033)	553 847	179 726	79 566	569 447
<b>Fund balances - 31 December 2007</b>	Statement II	(1 809)	1 474 619	139 230	102 590	995 190

The accompanying notes and schedules are an integral part of the financial statements.

<sup>a/</sup> Includes Working Capital Fund.

*Statement I (continued)*

Members' equity in capital assets	Sub-totals	Eliminations (Statement I, Annex 2)	Totals		
			2006-2007	2004-2005	
					<b>Income:</b>
					<i>Assessed contributions:</i>
	902 229		902 229	863 101	For the effective working budget (2006-2007)
	(8 655)		(8 655)	(12 364)	Adjustment mechanism (WHA58.4)
	(4 051)		(4 051)	(1 574)	Financial incentive scheme
	6		6		New and formerly inactive Members
	889 529		889 529	849 163	<i>Total assessed contributions</i>
					<i>Voluntary contributions:</i>
	3 073 824	(34 340)	3 039 484	1 935 864	WHO programme activities
	1 158 152		1 158 152	535 951	Non-WHO programme activities
					<i>Other income:</i>
	9 140		9 140	8 209	Revenue-producing activities
	23 394		23 394	29 306	Funds under inter-organization arrangements
	193 166	(193 166)	-		Income from services rendered
	202 445		202 445	68 053	Interest income: - interest
	5 240		5 240	320	- shared exchange differential
	241 463	(140 447)	101 016	97 678	Other
	5 796 353	(367 953)	5 428 400	3 524 544	<i>Total income</i>
					<b>Expenditure:</b>
	3 423 205	(324 940)	3 098 265	2 728 670	WHO programme activities
	1 053 879	(43 013)	1 010 866	627 842	Non-WHO programme activities
	4 477 084	(367 953)	4 109 131	3 356 512	<i>Total expenditure</i>
	1 319 269		1 319 269	168 032	<b>Excess (shortfall) of income over expenditure</b>
					Provision for delays in the collection of assessed contributions
	(49 499)		(49 499)	(52 981)	Payment of assessed contributions of prior periods
	55 134		55 134	44 948	Savings on prior periods' unliquidated obligations
3 681	26 346		26 346	26 846	Increase in Capital Assets
	3 681		3 681	4 987	Transfers between funds
	(10 983)		(10 983)	6 031	Adjustments to fund balances
3 681	1 343 948		1 343 948	197 863	<b>Total changes in fund balances</b>
72 114	1 441 667		1 441 667	1 243 804	<b>Fund balances - 1 January 2006</b>
75 795	2 785 615		2 785 615	1 441 667	<b>Fund balances - 31 December 2007</b>

**Statement I.1**

**Other WHO funds**  
**Financial period 2006-2007**

(in thousands of US dollars)

	Reference	Mis- cellaneous income (Schedule 6, Note 8)	Real Estate Fund (Schedule 9)	Security Fund (Note 31)	Other funds (Note 27)	Revolving Sales Fund (Note 11)
<b>Income:</b>	Note 2.5					
Assessed contributions:						
For the effective working budget (2006-2007)						
New and formerly inactive Members		6				
<b>Total assessed contributions</b>		6				
Other income:						
Revenue-producing activities	Note 5		643		750	7 700
Income from services rendered	Note 6					
Interest income: - interest		25 681	461	235	265	
- shared exchange differential		5 240				
Other		4 348	7 304	14 702	12 220	
<b>Total income</b>		35 275	8 408	14 937	13 235	7 700
<b>Expenditure:</b>	Notes 2.7,9					
WHO programme activities				15 005	7 542	6 764
Non-WHO programme activities			5 375		1 176	
<b>Total expenditure</b>			5 375	15 005	8 718	6 764
<b>Excess (shortfall) of income over expenditure</b>		35 275	3 033	(68)	4 517	936
Payment of assessed contributions of prior periods	Note 10	11 100				
Savings on prior periods' unliquidated obligations		6 920				
Transfers between funds	Annex 1	(41 906)				
Adjustment to fund balance					(47)	
<b>Total changes in fund balances</b>	Statement I	11 389	3 033	(68)	4 470	936
<b>Fund balances - 1 January 2006</b>	Statement II	2 432	1 142	229	5 956	4 651
<b>Fund balances - 31 December 2007</b>	Statement II	13 821	4 175	161	10 426	5 587

The accompanying notes and schedules are an integral part of the financial statements.



*Statement I.1 (continued)*

<b>Information Technology Fund</b> (Note 32)	<b>Special Account for Servicing Costs</b> (Schedule 8)	<b>Tax Equalization Fund</b> (Note 3)	<b>Terminal Payments Account</b> (Schedule 10)	<b>Totals</b>	
				<b>2006-2007</b>	<b>2004-2005</b>
					<b>Income:</b>
		9 114		9 114 6	4 626
					<i>Assessed contributions:</i>
					For the effective working budget (2006-2007)
					New and formerly inactive Members
		9 114		9 120	4 626
					<i>Total assessed contributions</i>
				9 093	8 160
					<i>Other income:</i>
	169 759		23 407	193 166	164 818
1 839	6 366		5 327	40 174	15 972
				5 240	320
12 556				51 130	56 790
					Other
14 395	176 125	9 114	28 734	307 923	250 686
					<i>Total income</i>
					<b>Expenditure:</b>
24 483	226 546			280 340	237 100
		11 334	26 261	44 146	32 385
24 483	226 546	11 334	26 261	324 486	269 485
					<i>Total expenditure</i>
(10 088)	(50 421)	(2 220)	2 473	(16 563)	(18 799)
					<b>Excess (shortfall) of income over expenditure</b>
				11 100	12 204
				6 920	5 992
				(41 906)	(35 574)
				(47)	
(10 088)	(50 421)	(2 220)	2 473	(40 496)	(36 177)
					<b>Total changes in fund balances</b>
19 346	92 267	(2 706)	56 409	179 726	215 903
					<b>Fund balances - 1 January 2006</b>
9 258	41 846	(4 926)	58 882	139 230	179 726
					<b>Fund balances - 31 December 2007</b>

**Statement I.2**

**UN trust funds – WHO programme activities**  
**Financial period 2006-2007**

(in thousands of US dollars)

	Reference	Technical cooperation			
		UN Development Programme	UN Population Fund	UN Environment Programme	UN Drug Control Programme
<b>Income:</b>	Note 2.5				
<i>Other income:</i>					
Funds under inter-organization arrangements	Note 13	264	5 393	544	
Interest income					
Other			9		
<i>Total income</i>		264	5 402	544	
<b>Expenditure:</b>	Notes 2.7,9				
WHO programme activities		837	5 774	688	1
<i>Total expenditure</i>		837	5 774	688	1
<b>Excess (shortfall) of income     over expenditure</b>		(573)	(372)	(144)	(1)
Savings on prior periods' unliquidated obligations		15	348	2	17
Transfers between funds	Annex 1		20		
Adjustment to fund balance					
<b>Total changes in fund balances</b>	Statement I	(558)	(4)	(142)	16
<b>Fund balances - 1 January 2006</b>	Statement II	2 020	(2 989)	20	20
<b>Fund balances - 31 December 2007</b>	Statement II	1 462	(2 993)	(122)	36

The accompanying notes and schedules are an integral part of the financial statements.

*Statement I.2 (continued)*

<b>Technical cooperation</b>		<b>Supply services</b>			
<b>UN</b>					
<b>Children's</b>	<b>Other UN</b>	<b>Totals</b>			
<b>Fund</b>	<b>organizations</b>	<b>2006-2007</b>	<b>2004-2005</b>		
				<b>Income:</b>	
				<i>Other income:</i>	
14 766	2 427	23 394	29 306	Funds under inter-organization arrangements	
			32	Interest income	
		9	(208)	Other	
14 766	2 427	23 403	29 130	<i>Total income</i>	
				<b>Expenditure:</b>	
11 127	3 669	22 096	26 923	WHO programme activities	
11 127	3 669	22 096	26 923	<i>Total expenditure</i>	
				<b>Excess (shortfall) of income over expenditure</b>	
3 639	(1 242)	1 307	2 207		
29		411	6 335	Savings on prior periods' unliquidated obligations	
		20	(1 444)	Transfers between funds	
	2	2	5 500	Adjustment to fund balance	
3 668	(1 240)	1 740	12 598	<b>Total changes in fund balances</b>	
834	1 717	1 622	(10 976)	<b>Fund balances - 1 January 2006</b>	
4 502	477	3 362	1 622	<b>Fund balances - 31 December 2007</b>	

**Statement I.3**

**Trust funds – WHO programme activities  
Financial period 2006-2007**

(in thousands of US dollars)

	Reference	Technical cooperation			
		Onchocerciasis Control Programme <sup>a/</sup>	African Programme for Onchocerciasis Control <sup>a/</sup>	Sasakawa Health Trust Fund <sup>a/</sup>	TDR <sup>a/b/</sup>
<b>Income:</b>	Note 2.5				
<i>Voluntary contributions:</i>					
WHO programme activities			24 967	7 392	68 196
<i>Other income:</i>					
Revenue-producing activities	Note 5		31		
Interest income		115	979	838	2 339
Other		3	381		257
<i>Total income</i>		118	26 358	8 230	70 792
<b>Expenditure:</b>	Notes 2.7,9				
WHO programme activities			24 729	6 700	73 712
<i>Total expenditure</i>			24 729	6 700	73 712
<b>Excess (shortfall) of income over expenditure</b>		118	1 629	1 530	(2 920)
Savings on prior periods' unliquidated obligations		146	3 635	354	3 313
Transfers between funds	Annex 1	(2 006)			200
Adjustment to fund balance					
<b>Total changes in fund balances</b>	Statement I	(1 742)	5 264	1 884	593
<b>Fund balances - 1 January 2006</b>	Statement II	2 268	3 823	7 010	18 796
<b>Fund balances - 31 December 2007</b>	Statement II	526	9 087	8 894	19 389

The accompanying notes and schedules are an integral part of the financial statements.

<sup>a/</sup> See Annex (doc A61/20 Add.1) for detailed financial statements.

<sup>b/</sup> TDR: Trust Fund for the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases.

<sup>c/</sup> HRP: Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction.

*Statement I.3 (continued)*

Technical cooperation			Supply services			
HRP <sup>a/c/</sup>	Associate	Other	National	Totals		
	Professional	technical	health	2006-2007	2004-2005	
Officers	cooperation	services and				
	funds	institutions				
						<b>Income:</b>
						<i>Voluntary contributions:</i>
41 369	2 456	41 983	126 586	312 949	269 228	WHO programme activities
						<i>Other income:</i>
16				47	49	Revenue-producing activities
1 094	52	8		5 425	2 203	Interest income
				641	(526)	Other
42 479	2 508	41 991	126 586	319 062	270 954	<i>Total income</i>
						<b>Expenditure:</b>
31 318	3 636	47 600	123 006	310 701	273 689	WHO programme activities
31 318	3 636	47 600	123 006	310 701	273 689	<i>Total expenditure</i>
						<b>Excess (shortfall) of income over expenditure</b>
11 161	(1 128)	(5 609)	3 580	8 361	(2 735)	
530				7 978	7 840	Savings on prior periods' unliquidated obligations
640		6 924		5 758	2 841	Transfers between funds
				(813)		Adjustment to fund balance
12 331	(1 941)	1 315	3 580	21 284	7 946	<b>Total changes in fund balances</b>
4 632	3 224	30 099	8 092	77 944	69 998	<b>Fund balances - 1 January 2006</b>
16 963	1 283	31 414	11 672	99 228	77 944	<b>Fund balances - 31 December 2007</b>

# **Statement I.4**

## **Other trust funds and associated entities - Non-WHO programme activities Financial period 2006-2007**

(in thousands of US dollars)

		<b>Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS) (Note 14)</b>	<b>International Drug Purchase Facility - UNITAID (Note 14)</b>	<b>International Agency for Research on Cancer (Note 14)</b>	<b>International Computing Centre (Note 14)</b>	<b>Staff Health Insurance (Notes 14, 15)</b>
	<b>Reference</b>					
<b>Income:</b>	Note 2.5					
<i>Voluntary contributions:</i>						
Non-WHO programme activities		522 587	368 889	66 922		
<i>Other income:</i>						
Interest income		21 034	1 409	2 217	501	51 081
Other		473			61 554	127 656
<i>Total income</i>		544 094	370 298	69 139	62 055	178 737
<b>Expenditure:</b>	Notes 2.7, 9					
Non-WHO programme activities		440 967	148 202	63 182	64 603	105 827
<i>Total expenditure</i>		440 967	148 202	63 182	64 603	105 827
<b>Excess (shortfall) of income over expenditure</b>		103 127	222 096	5 957	(2 548)	72 910
Savings on prior periods' unliquidated obligations		5 645		239	404	
Transfers between funds						
Adjustment to fund balance		(423)				
<b>Total changes in fund balances</b>	Statement I	108 349	222 096	6 196	(2 144)	72 910
<b>Fund balances - 1 January 2006</b>	Statement II	199 152		23 946	10 517	310 700
<b>Fund balances - 31 December 2007</b>	Statement II	307 501	222 096	30 142	8 373	383 610

The accompanying notes and schedules are an integral part of the financial statements.

**Statement I.4 (continued)**

<b>The Global Fund to fight AIDS, Tuberculosis and Malaria</b> (Note 14)	<b>Other trust funds</b> (Note 16)	<b>Foundations</b> (Note 17)	<b>Totals</b> <b>2006-2007</b>	<b>2004-2005</b>	
					<b>Income:</b>
					<i>Voluntary contributions:</i>
195 000	4 718	36	1 158 152	535 951	Non-WHO programme activities
	419	366	77 027	25 200	<i>Other income:</i>
			189 683	175 358	Interest income
					Other
195 000	5 137	402	1 424 862	736 509	<i>Total income</i>
					<b>Expenditure:</b>
182 594	4 214	144	1 009 733	622 796	Non-WHO programme activities
182 594	4 214	144	1 009 733	622 796	<i>Total expenditure</i>
12 406	923	258	415 129	113 713	<b>Excess (shortfall) of income over expenditure</b>
4 749			11 037	6 679	Savings on prior periods' unliquidated obligations
				914	Transfers between funds
			(423)	531	Adjustment to fund balance
17 155	923	258	425 743	121 837	<b>Total changes in fund balances</b>
15 457	6 233	3 442	569 447	447 610	<b>Fund balances - 1 January 2006</b>
32 612	7 156	3 700	995 190	569 447	<b>Fund balances - 31 December 2007</b>

**Statement I, Annex 1**

**Transfers between funds <sup>a/</sup>**

(in thousands of US dollars)

Appropriated for the effective working budget, 2006-2007 (Financial Regulation 5.1 and Resolutions WHA58.4 & WHA60.8)							
Funds	Other programme transfers						Total
Regular budget and Working Capital Fund	(34 906)						(34 906)
Miscellaneous Income	41 906						41 906
Trust Funds - Global Management System	(7 000)						(7 000)
Voluntary Fund for Health Promotion		(76)	640	20	(2 006)	200	(1 222)
TDR <sup>b/</sup>						(200)	(200)
HRP <sup>c/</sup>			(640)				(640)
OCP <sup>d/</sup>					2 006		2 006
UNFPA <sup>e/</sup>				(20)			(20)
Other Trust Funds		76					76
Net transfers	-	-	-	-	-	-	-

<sup>a/</sup> These transfers between funds were made to implement decisions by the Health Assembly, and other programme transfers are in accordance with established accounting practices. Figures within brackets denote the receiving fund and figures without brackets denote the originating fund.

<sup>b/</sup> Trust Fund for the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases.

<sup>c/</sup> Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction.

<sup>d/</sup> Onchocerciasis Control Programme.

<sup>e/</sup> United Nations Population Fund.



**Statement I, Annex 2****Eliminations***(in thousands of US dollars)*

<b>Originating Fund</b>	<b>Expenditure</b>	<b>Receiving Fund</b>	<b>Income</b>
Regular Budget	1 797 <sup>1/</sup>	TDR <sup>a/</sup>	1 797 <sup>3/</sup>
	150 <sup>1/</sup>	African Programme for Onchocerciasis Control	150 <sup>3/</sup>
	7 304 <sup>2/</sup>	Real Estate Fund	7 304 <sup>5/</sup>
	3 257 <sup>1/</sup>	Security Fund	3 257 <sup>5/</sup>
	9 850 <sup>1/</sup>	Information Technology Fund	9 850 <sup>5/</sup>
United Nations Population Fund	1 995 <sup>1/</sup>	HRP <sup>b/</sup>	1 995 <sup>3/</sup>
TDR <sup>a/</sup>	2 763 <sup>1/</sup>	Special Account for Servicing Costs	2 763 <sup>4/</sup>
African Programme for Onchocerciasis Control	1 307 <sup>1/</sup>	TDR <sup>a/</sup>	1 307 <sup>3/</sup>
	300 <sup>1/</sup>	Special Account for Servicing Costs	300 <sup>4/</sup>
HRP <sup>b/</sup>	1 318 <sup>1/</sup>	Special Account for Servicing Costs	1 318 <sup>4/</sup>
The Global Fund to fight AIDS, Tuberculosis and Malaria	4 210 <sup>2/</sup>	Special Account for Servicing Costs	4 210 <sup>4/</sup>
International Drug Purchase Facility - UNITAID	512 <sup>2/</sup>	Special Account for Servicing Costs	512 <sup>4/</sup>
UNAIDS	30 <sup>1/</sup>	HRP <sup>b/</sup>	30 <sup>3/</sup>
	29 061 <sup>1/</sup>	Voluntary Fund for Health Promotion	29 061 <sup>3/</sup>
	4 176 <sup>1/</sup>	Special Account for Servicing Costs	4 176 <sup>4/</sup>
International Computing Centre	603 <sup>2/</sup>	Special Account for Servicing Costs	603 <sup>4/</sup>
All funds	23 407 <sup>c/</sup>	Terminal Payments Account	23 407 <sup>4/</sup>
	93 664 <sup>c/</sup>	Staff Health Insurance	93 664 <sup>5/</sup>
	12 220 <sup>c/</sup>	Staff Development	12 220 <sup>5/</sup>
Special Account for Servicing Costs	11 445 <sup>1/</sup>	Security Fund	11 445 <sup>5/</sup>
	2 706 <sup>1/</sup>	Information Technology Fund	2 706 <sup>5/</sup>
Voluntary Fund for Health Promotion and other funds - Programme support costs	155 878 <sup>1/</sup>	Special Account for Servicing Costs	155 878 <sup>4/</sup>
<b>Total elimination of expenditures</b>	<b>367 953</b>	<b>Total elimination of income</b>	<b>367 953</b>
<b>Representing:</b>		<b>Representing:</b>	
1. WHO programme activities <sup>c/</sup>	324 940	3. WHO programme activities	34 340
2. Non-WHO programme activities <sup>c/</sup>	43 013	4. Income from services rendered	193 166
		5. Other	140 447
<b>Total elimination of expenditures</b>	<b>367 953</b>	<b>Total elimination of income</b>	<b>367 953</b>

<sup>a/</sup> Trust Fund for the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases.<sup>b/</sup> Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction.<sup>c/</sup> All funds expenditure amounts to \$ 129 292 076. This amount has been apportioned across items, WHO programme activities and non-WHO programme activities in the ratio of their respective expenditures.

## Statement II

### Statement of assets, liabilities and fund balances as at 31 December 2007

(in thousands of US dollars)

	Reference	2007	2005 (re-stated, note 33)
<b>Assets</b>			
Cash at banks, in transit and on hand	Schedule 1, Note 18	102 979	96 186
Deposits and securities	Schedule 1	2 483 722	1 701 251
<i>Accounts receivable</i>			
Assessed contributions receivable from Member States	Note 19 Schedule 4.a	139 924	145 559
<b>Less</b> : Provision for delays in the collection of assessed contributions		(139 924)	(145 559)
Net assessed contributions		-	-
Voluntary Fund for Health Promotion	Note 19	423 006	
Trust funds - WHO programme activities	Note 19	809	
Trust funds - Non-WHO programme activities	Note 19	47 540	
Interest receivable	Note 19	24 091	17 718
Sundry debtors	Note 19	31 156	39 690
<i>Total accounts receivable</i>		526 602	57 408
Advances and prepaid expenses	Note 20	46 797	40 888
Construction in progress	Note 22		26 510
Capital assets	Note 23	128 406	76 307
<b>Total assets</b>		3 288 506	1 998 550
<b>Liabilities and fund balances</b>			
<i>Liabilities</i>			
Members' contributions received in advance	Note 25	59 299	50 328
Accounts payable	Note 26	395 175	476 726
Loans repayable	Note 22	48 417	29 829
<i>Total liabilities</i>		502 891	556 883
<i>Fund Balances</i>			
	Statement I		
Regular budget and Working Capital Fund		(1 809)	(13 033)
Voluntary Fund for Health Promotion		1 474 619	553 847
Other WHO funds		139 230	179 726
Trust funds - WHO programme activities		102 590	79 566
Trust funds - Non-WHO programme activities		995 190	569 447
<i>Total fund balances</i>		2 709 820	1 369 553
Members' equity in capital assets	Statement I	75 795	72 114
<b>Total liabilities and fund balances</b>		3 288 506	1 998 550

The accompanying notes and schedules are an integral part of the financial statements.

### Statement III

#### Statement of cash flow Financial period 2006-2007

(in thousands of US dollars)

	2006-2007	2004-2005 (re-stated, note 33)
<b>Cash flows from operating activities</b>		
Total changes in fund balances (Statement I)	1 343 948	197 863
(Increase)/decrease in accounts receivable	(462 822)	(1 401)
(Increase)/decrease in advances and prepaid expenses	(5 909)	(21 546)
Increase/(decrease) in contributions received in advance	8 971	3 642
Increase/(decrease) in accounts payable	(81 551)	175 813
<b>Less :</b> Interest income included in fund balances	(207 685)	(68 373)
<i>Net cash flows from operating activities</i>	<b>594 952</b>	<b>285 998</b>
<b>Cash flows from investing and financing activities</b>		
(Increase)/decrease in deposits and securities	(782 471)	(358 721)
Increase/(decrease) in loans payable	18 588	26 997
<b>Plus :</b> Interest income included in fund balances	207 685	68 373
<b>Less:</b> (Increase)/decrease in interest receivable	(6 373)	(12 789)
<i>Net cash flows from investing and financing activities</i>	<b>(562 571)</b>	<b>(276 140)</b>
<b>Cash flows from other sources</b>		
(Increase)/decrease in land and buildings	(52 098)	(9 180)
(Increase)/decrease in construction in progress	26 510	(23 620)
<i>Net cash flows from other sources</i>	<b>(25 588)</b>	<b>(32 800)</b>
<b>Net increase/(decrease) in cash</b>	<b>6 793</b>	<b>(22 942)</b>
<b>Cash as at 1 January 2006 and 2004</b>	<b>96 186</b>	<b>119 128</b>
<b>Cash as at 31 December 2007 and 2005</b>	<b>102 979</b>	<b>96 186</b>

The accompanying notes and schedules are an integral part of the financial statements.

**Statement IV**

**Statement of appropriations  
Financial period 2006-2007**

(in thousands of US dollars)

<b>Appropriation section</b>	<b>Amounts approved by resolution WHA58.4</b>	<b>Transfers between sections made by the Director-General (Note 34)</b>	<b>Transfers between sections as % of approved appropriations</b>	<b>Effective appropriations</b>	<b>Expenditure (Note 34)</b>	<b>Unobligated balance of appropriations (Note 34)</b>
1. Essential health interventions	238 343	(20 226)	(8.49)	218 117	214 316	3 801
2. Health policies, systems and products	164 913	6 990	4.24	171 903	169 049	2 854
3. Determinants of health	96 156	(2 517)	(2.62)	93 639	90 523	3 116
4. Enabling programme delivery	251 770	6 113	2.43	257 883	254 409	3 474
5. WHO's core presence in countries	128 624	9 516	7.40	138 140	135 051	3 089
6. Other	35 509	124	0.35	35 633	35 278	355
<b>Effective working budget</b>	<b>915 315</b>			<b>915 315</b>	<b>898 626</b>	<b>16 689</b>
7. Transfer to Tax Equalization Fund	80 000			80 000	80 000	
<b>Total</b>	<b>995 315</b>			<b>995 315</b>	<b>978 626</b>	<b>16 689</b>

The accompanying notes and schedules are an integral part of the financial statements.

## *Notes to the accounts*

### **1. Statement of objectives**

- 1.1** 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".
- 1.2** In order to achieve this objective, the functions of the Organization have been established and are contained in Article 2 of the Constitution.
- 1.3** The Eleventh General Programme of Work, 2006-2015, approved by World Health Assembly resolution WHA59.4 provides the policy framework for the Programme Budget 2006-2007.
- 1.4** The Fifty-eighth World Health Assembly in May 2005 (WHA58.4) resolved to appropriate an Effective Working Budget of \$ 915 million for the financial period 2006-2007. The Health Assembly also noted estimated expenditure of \$ 2 398 million to be financed from voluntary contributions. This figure was subsequently revised upwards to \$ 2 755 million as noted by the 120<sup>th</sup> Session of the Executive Board in January 2007.

### **2. Statement of accounting policies**

#### **2.1 General accounting policies**

The accounting policies and financial reporting practices applied are based upon the WHO Financial Regulations and Financial Rules. 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 in accordance with the UNSAS and are drawn up on the basis of the formats defined therein.

#### **2.2 Presentation of financial statements**

The financial statements, notes, schedules and accompanying tables are presented in US dollars. All assets and liabilities, including accounts receivable and payable, are pooled within the Organization's books of account.

#### **2.3 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. However, imprest account expenditure transactions are accounted for at the accounting rate of exchange in effect at the date expenditures are recorded in the main accounts.

Assets and liabilities held in other currencies at the end of the year are also translated into US dollars at the United Nations accounting rate of exchange prevailing for the month of December of the closing year. However, when significant changes occur in the exchange rates at the end of the year, the rates used "as at 31 December" are those in force on 1 January of the subsequent year. In the current financial period, no substantial change occurred between the exchange rates in force at the end of 2007 and those in force on 1 January 2008.

#### **2.4 Accounting for exchange differential**

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 participating in the apportionment of interest under the WHO general investment plan.

## **2.5 Income**

*Assessed contributions* – Income from contributions from Members and Associate Members for the effective working budget 2006-2007 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 2007. The total amount of the provision is shown in Statement I. 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 Financial Regulation 8.1 (h), 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 Miscellaneous Income.

*New and formerly inactive Members* - Income from assessed contributions from new and formerly inactive Members is subject to Financial Regulation 6.12.

*Voluntary contributions* – Voluntary contributions for WHO programme activities are recorded on an accrual basis (i.e. income is recognized upon signature of donor agreements on a yearly basis and not when it is received).

*Contributions in kind or in services* – Contributions in kind or in services received by WHO are recorded upon receipt. They are treated both as income and expenditure in the Voluntary Fund for Health Promotion where they are recorded at a fair value based on estimates provided by the donor.

*Other non-WHO programme activity trust funds* – For other trust funds and entities administered by WHO that do not form part of WHO's programme activities, income is recorded on an accrual basis; except for the International Agency for Research on Cancer and the International Computing Centre.

*Revenue-producing activities* – Income is recorded on a cash basis.

*Interest income* – Interest income is recorded on an accrual basis. Interest earned on funds and accounts invested on a pooled basis is apportioned monthly in proportion to their capital at the end of each month. Earnings on investments made for specific funds are credited directly to the funds concerned. Interest is adjusted by the exchange differential arising from currency and revaluation operations.

Interest earned and apportioned during the financial period to specific WHO accounts, trust funds and the Voluntary Fund for Health Promotion, is retained for use within those accounts and funds.

## **2.6 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 income 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.

## **2.7 Expenditure**

In accordance with Financial Regulation IV and Financial Rule VI, expenditure (obligations) is recorded on an accrual basis (i.e. obligations are charged to expenditure during the current financial period for goods or services which are contractually due to be delivered during that period).

For other trust funds and entities administered by WHO and which do not form part of WHO programme activities, expenditure is recorded on an accrual basis.

That part of an obligation which has not yet been paid (i.e. an outstanding liability) is shown in the balance sheet as an accounts payable.

## **2.8 Savings on prior periods' unliquidated obligations**

Unliquidated obligations relating to prior financial periods are settled during the current financial period in accordance with the Financial Regulations. Variances on settlement are debited/credited to the relevant fund.

## **2.9 Eliminations**

The accounts of the Organization incorporate programme activities under the regular budget and those under extrabudgetary sources of financing, other WHO funds and associated entities. In order to preserve fund integrity and for transparency, income and expenditure are recorded separately for each individual fund. Income can be transferred from one fund to another fund in which case the amount is recorded as expenditure in the originating fund and as income in the receiving fund. However, income and expenditure are also consolidated in the Organization's accounts and financial statements to give an overall picture of the costs of WHO programme activities and of other entities administered by WHO. In such circumstances, consolidation produces a duplication of income and expenditure which must be eliminated in order to reflect the net costs of programme delivery.

Programme support costs (PSC) are recorded both as income and expenditure through the accounting for extrabudgetary funds and the Special Account for Servicing Costs giving rise to duplication on consolidation which must also be eliminated.

## **2.10 Cash at banks, in transit and on hand**

Imprest account balances only reflect disbursements recorded up to 30 November 2007 in order to ensure a consistent cut off throughout the Organization. Disbursements that have not been accounted for in December 2007 will be accounted for against the liquidation of the relevant expenditure (obligations) and bank balances in 2008.

## **2.11 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. 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 recommendations to the Director-General as and when the Committee considers it appropriate. 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. However, for the structured investment products of which the calculation of interest rate will not be made until the end of the interest period, the income is recognized on a cash basis and the accrued interest is not recorded.

## **2.12 Capital assets and Members' equity in capital assets**

The value of capital assets represents the cost at the time of acquisition or construction or, in the case of donated properties, the value as advised by the donor. No adjustment is made for depreciation.

In certain regional office locations, WHO occupies premises made available by the host country concerned, either at no cost or on a rental basis. The costs of improvements or extensions to such premises which have been borne by WHO are not recorded as capital assets in the accounts of the Organization but are charged to expenditure.

## **2.13 Non-expendable equipment**

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 \$ 2 500 and above are included.

## **2.14 Working Capital Fund and internal borrowing**

Pending the 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. Amounts borrowed are repaid from the collection of arrears of assessed contributions which are credited first against any internal borrowing outstanding and then against any borrowing outstanding from the Working Capital Fund.

## 2.15 Foreign exchange hedging

In accordance with Financial Regulation 4.4, foreign exchange hedging seeks to maintain the level of the budget, irrespective of the effect of any fluctuation of currencies against the US dollar. The amounts available for hedging are approved by the World Health Assembly for the financial period concerned. The exact method of hedging is determined in accordance with the investment policy, which specifies permitted hedging instruments: namely forward foreign exchange and option contracts. The exchange rate to be protected and prevailing market conditions are also taken into account. Costs associated with the purchase of foreign currency options are recorded at the time of purchase and are expensed in the biennium to which they relate. Gains (losses) on forward contracts and any gains on option contracts are taken to income (or expenditure) when the contracts mature.

## 3. Tax Equalization Fund

In 2006-2007, income credited to the Tax Equalization Fund is derived as follows:

	2006-2007 (US dollars)	2004-2005 (US dollars)
Staff Assessment (Statement IV, Appropriation Section 7)	80 000 000	80 000 000
<i>Less:</i> Credits to Members	70 885 920	75 374 110
<b>Total</b>	<b>9 114 080</b>	<b>4 625 890</b>

## 4. Contributions in kind or in services

Voluntary contributions include contributions in kind or in services amounting to \$ 47.5 million for 2006-2007 (\$ 51.7 million in 2004-2005). These amounts are recorded under the Voluntary Fund for Health Promotion.

## 5. Revenue-producing activities

Revenues comprise the following:

- rental from staff accommodation credited to the Real Estate Fund;
- rentals from concessionaires at Headquarters credited to the Special Account for Operation of Concessions;
- sale of WHO publications and other promotional material; income from rights and royalties credited to the Revolving Sales Fund; and
- revenue derived from patent policy credited to the Special Account for Income Derived from Patent Policy.

## 6. Income from services rendered

This item refers to income from programme support costs levied against programme expenditure under extrabudgetary financed activities and fees received from the provision of administrative services to other entities. Income earned is credited to the Special Account for Servicing Costs. Transfers to the Terminal Payments Account are also shown under this heading.

## 7. Foreign exchange hedging transactions arising in 2006-2007

Exchange gains on foreign exchange hedging contracts in 2006-2007 amounted to \$ 7.8 million (\$ 29.6 million in 2004-2005).

Summary of outstanding options as at 31 December 2007 (in relation to 2008-2009 hedging contracts)

WHO has the option to sell:

USD	327 000 000	and buy CHF if the market rate is lower than	1.1500	at USD 1.00 =	CHF 1.15
USD	147 000 000	and buy EUR if the market rate is more than	1.4000	at USD 1.40 =	EUR 1.00



Net premiums paid on these contracts amounting to \$ 7.8 million have been recorded as prepaid expenses as at 31 December 2007 (\$ 16.1 million at 31 December 2005).

Unrealized net gains on these contracts amounted to \$ 21.1 million as at 31 December 2007 (unrealized net losses \$ 3 million at 31 December 2005).

Realized gains or losses on these contracts will be recorded on maturity of the contracts and applied during 2008-2009.

## 8. Miscellaneous income - other

This includes:

	2006-2007 (US dollars)	2004-2005 (US dollars)
Refunds and rebates	813 575	602 211
Exchange differential	2 656 361	988 231
Sale of equipment and material	149 463	167 120
Underground parking operations	634 252	307 637
Settlement of Casual Income appropriated for priority programmes	94 522	(20 151)
<b>Total</b>	<b>4 348 173</b>	<b>2 045 048</b>

## 9. Expenditure

Expenditure for WHO programme activities includes technical cooperation and supply services.

Expenditure for non-WHO programme activities relates to funds or entities for which the Organization has administrative responsibility or some other interaction.

## 10. Payment of assessed contributions of prior years

Arrears of assessed contributions collected in 2006-2007 in respect of the prior financial periods have been applied as follows:

	2006-2007 (US dollars)	2004-2005 (US dollars)
Repayments on internal borrowing outstanding as at 1 January 2006 and 2004	13 033 602	1 743 968
Repayments of Working Capital Fund outstanding as at 1 January 2006 and 2004	31 000 000	31 000 000
<i>Total repayments of borrowings</i>	<b>44 033 602</b>	32 743 968
Credited to Miscellaneous Income	11 100 252	12 203 848
<b>Total arrears of assessed contributions collected</b>	<b>55 133 854</b>	<b>44 947 816</b>

## 11. Revolving Sales Fund

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, DVD's and other information material. The related costs of production and printing are charged to the fund.

## 12. Special Account for Operation of Concessions at Headquarters

Established by the Director-General under the terms of the Financial Regulations, this account is credited with all amounts paid by concessionaires for space, equipment and other facilities made available by the Organization. The cost of repairs, utilities, maintenance work, administration of contracts and replacement of equipment are charged against the account.

### 13. UN trust funds – WHO programme activities

These represent cash drawings from the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund and other organizations and bodies of the United Nations system. Such drawings are made in order to finance activities funded by those agencies for which WHO is the executing or associated agency.

### 14. Other trust funds and associated entities – Non-WHO programme activities

In accordance with the Financial Regulations, the Director-General has established trust funds to record the financial operations of various programmes and entities that are not considered part of WHO programme activities. The funds included are:

- Trust fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)
- International Agency for Research on Cancer (IARC)
- International Computing Centre (ICC)

For each of these funds, detailed financial reports are issued and are subject to audit by the WHO External Auditor.

Trust funds not part of WHO programme activities also include the WHO Staff Health Insurance (SHI), the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFTAM) and the International Drug Purchase Facility - UNITAID.

WHO provides administrative support and services to these entities and in 2006-2007 received fees of \$ 8.8 million for the provision of such services.

### 15. Staff Health Insurance

The income 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 earned 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. The balance of the fund at 31 December 2007, \$ 383.6 million, is held to satisfy statutory reserves as follows:

	31 December 2007 (US dollars)	31 December 2005 (US dollars)
Settlement of outstanding claims (SHI rule 470.1)	17 887 917	14 676 678
Future costs of retired staff (SHI rule 470.2) <sup>a/</sup>	306 451 000	272 031 000
Reserve for major claims and cost of reinsurance (SHI rule 470.3)	59 270 822	23 992 623
<b>Total</b>	<b>383 609 739</b>	<b>310 700 301</b>

### 16. Other trust funds

#### *Special Fund for Compensation*

This fund was set up by the Director-General under the Financial Regulations for the payment of periodic benefits awarded to staff members under WHO compensation rules for service-incurred accidents and illnesses. It is financed by funds allocated to cover the cost of employing the staff member in question; by the credit of benefits received from the commercial accident and illness insurance policy established for this purpose, and by any interest earned.

#### *Due to Estates of Deceased Staff Members*

These funds reflect balances due on accounts of deceased staff members, pending the conclusion of legal and other succession-related formalities.

<sup>a/</sup> The most recent actuarial valuation of the future cost of retired staff, dated July 2004, estimates an Accumulated Post-retirement Benefit Obligation (APBO) for retirees of \$ 370.0 million.

#### *Other Trust Funds held by WHO*

These funds relate to balances held on behalf of interagency and other entities for which WHO has responsibility as trustee.

### **17. Foundations**

This comprises foundations for which WHO holds funds in trust and is responsible for financial and administrative management. At 31 December 2007, the foundations were as follows:

- Darling Foundation
- Down Syndrome Research Prize in the Eastern Mediterranean Region
- Dr A.T. Shousha Foundation
- Dr Comlan A.A. Quenum Prize
- Ihsan Dogramaci Family Health Foundation
- Jacques Parisot Foundation
- Léon Bernard Foundation
- Professor Francesco Pocchiari Fellowship Prize
- State of Kuwait Prize for the Control of Cancer, Cardiovascular Diseases and Diabetes in the Eastern Mediterranean Region
- State of Kuwait Prize for Research in Health Promotion
- United Arab Emirates Health Foundation

### **18. Cash, deposits and securities**

Cash, deposits and securities are held on behalf of the Organization, including the Voluntary Fund for Health Promotion, its special accounts and trust funds, and the various foundations and entities administered by WHO.

#### *Cash at banks, in transit and on hand*

This represents the aggregation of all the Organization's liquid resources (including cash, bank accounts, and funds in transit) and amount to \$ 103 million at 31 December 2007 (\$ 96.2 million at 31 December 2005). Within this figure, imprest account disbursements which have not been accounted for in the financial period, amount to \$ 72.6 million (\$ 58.3 million at 31 December 2005). These disbursements will be accounted for against the liquidation of the appropriate unliquidated obligations and bank balances in 2008.

#### *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.

#### *Total cash, deposits and securities as at 31 December 2007*

This figure includes \$ 1 071.3 million (\$ 636.1 million at 31 December 2005) held by WHO on behalf of UNAIDS, International Agency for Research on Cancer, International Computing Centre, Staff Health Insurance, The Global Fund to fight AIDS, Tuberculosis and Malaria, International Drug Purchase Facility – UNITAID and Foundations. Interest receivable shown in Statement II is the amount of accrued interest from the Organization's direct investments, mainly time deposits.

The total earnings from cash, deposits and securities for 2006-2007 was \$ 202.4 million (\$ 68.1 million in 2004-2005) after taking into account an exchange differential gain of \$ 6.4 million. \$ 25.7 million of total earnings (\$ 7.6 million in 2004-2005) related to the regular budget and was credited to Miscellaneous Income.

## 19. Accounts receivable

At 31 December 2007, accounts receivable amounted to \$ 526.6 (\$ 57.4 million at 31 December 2005). The large increase in the accounts receivable is due to the revised accounting policy on income recognition effective 1 January 2006. In addition to accruing income on assessed contributions, income from Voluntary contributions is now also accrued under the revised income recognition policy. This means that income from voluntary contributions is recognized upon signature of donor agreements. As a result of this change in policy \$ 423.8 million (detailed below) has been recognized as income during 2006-2007 for WHO programme activities and is shown as an accounts receivable at 31 December 2007.

Sundry debtors (detailed below) comprise payments due from other international organisations, guarantee deposit accounts and other debtors. This item includes certain expenses that will be charged against accounts payable, or other appropriate accounts in 2008.

	31 December 2007 (US dollars)	31 December 2005 (re-stated, note 33) (US dollars)
<b>Accounts receivable</b>		
<b>WHO programme activities</b>		
Voluntary Fund for Health Promotion	423 006 453	
Trust funds	809 103	
<i>Total WHO programme activities</i>	423 815 556	
<b>Non-WHO programme activities – Trust funds</b>	47 539 712	
<b>Interest receivable</b>	24 090 954	17 718 263
<b>Sundry debtors</b>		
Due from other United Nations organizations and agencies, institutions, governments and ministries, firms, corporations and other entities, for goods and services provided	10 798 756	15 164 082
Clearance accounts	9 258 835	5 512 012
WHO/UNAIDS service clearance accounts with UNDP	8 248 872	17 124 102
Other debtors	2 454 345	1 635 088
Guarantee deposits	395 173	254 707
<i>Total Sundry debtors</i>	31 155 981	39 689 991
<b>Total accounts receivable</b>	526 602 203	57 408 254

## 20. Advances and prepaid expenses

An amount of \$ 35.1 million represents advances made to staff members in accordance with the regulations and rules of the Organization (\$ 24.3 million at 31 December 2005) and an amount of \$ 11.7 million represents prepaid expenses (\$ 16.6 million at 31 December 2005), i.e. disbursements made in respect of obligations against the next financial period and will be charged as expenditure in that period.

**21. Letters of credit**

At 31 December 2007, in addition to actual cash resources on hand, undrawn balances under letters of credit received from the United States of America, amounted to \$ 233.2 million (\$ 139.7 million at 31 December 2005). These relate to the following activities:

	<b>31 December 2007</b> <i>(US dollars)</i>	<i>31 December 2005</i> <i>(US dollars)</i>
The US Agency for International Development		
Voluntary Fund for Health Promotion	196 198 179	125 939 821
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	34 616 695	12 150 000
The US Environment Protection Agency		
Voluntary Fund for Health Promotion	2 392 119	1 567 169
<b>Total</b>	<b>233 206 993</b>	<b>139 656 990</b>

**22. Construction in progress and loan from the Swiss Confederation**

The World 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.

The building was completed in November 2006. The amount under capital assets includes \$ 51.2 million transferred from construction in progress which represents the expenditure incurred on the building up to 31 December 2007. The additional amount of \$ 2.8 million above the loan amount from the Swiss Confederation has been financed equally by WHO and UNAIDS. The loan repayable \$ 48.4 million at 31 December 2007 represents the total amount of the loan received from the Swiss Confederation.

## 23. Capital assets

These assets represent WHO and other trust fund properties at headquarters and in regional office locations. The properties have either been purchased, constructed or received as donations. The land upon which buildings have been erected is either owned by the Organization /trust fund 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:

	31 December 2005 (US dollars)	2006-2007		31 December 2007 (US dollars)
		Additions (US dollars)	Disposals (US dollars)	
<b>WHO offices</b>				
Headquarters	42 358 538			42 358 538
UNAIDS/WHO building		51 224 931		51 224 931
Regional Office for Africa				
Regional Office	7 533 338	124 557		7 657 895
Africa Region - other	1 249 634			1 249 634
Total: Regional Office for Africa	8 782 972	124 557		8 907 529
Regional Office for South-East Asia	1 483 295			1 483 295
Regional Office for the Eastern Mediterranean	12 088 203			12 088 203
Regional Office for the Western Pacific	7 400 758	749 000		8 149 758
<i>Total WHO</i>	<i>72 113 766</i>	<i>52 098 488</i>		<i>124 212 254</i>
<b>IARC - Lyon</b>	<b>4 193 504</b>			<b>4 193 504</b>
<b>Total</b>	<b>76 307 270</b>	<b>52 098 488</b>		<b>128 405 758</b>

## 24. Non-expendable equipment

The total value at cost at 31 December 2007 amounted to \$ 83.9 million (\$ 80.1 million at 31 December 2005).

## 25. Members' contributions received in advance

At 31 December 2007 some Members had, either in full or in part, made advance payments against their regular budget contributions for 2008 and future years. In addition, certain Members had received credits against assessed contributions for the current biennium, which will be offset against future assessments. In total, contributions received in advance at 31 December 2007 amounted to \$ 59.3 million (\$ 50.3 million at 31 December 2005).

## 26. Accounts payable

In accordance with the revision to Financial Regulation IV, effective 1 January 2006, unliquidated obligations have been replaced by accounts payable. The total accounts payable for WHO programme activities at 31 December 2007 is \$ 294.4 million (detailed below). The reduction of \$ 69 million reflects the new expenditure recognition policy in Financial Regulation 4.2 whereby obligations are charged to expenditure during the current financial period for goods or services which are contractually due to be delivered during that period.

	31 December 2007 (US dollars)	31 December 2005 (re-stated, note 33) (US dollars)
<b>Accounts payable</b>		
<b>WHO Programme Activities</b>		
Regular budget	37 241 743	43 539 187
Other WHO funds	19 668 743	18 605 709
Voluntary Fund for Health Promotion	196 721 695	205 574 509
Inter-organization arrangements	2 396 667	7 659 237
Trust funds	38 327 842	87 933 150
<i>Total WHO programme activities</i>	<b>294 356 690</b>	<b>363 311 792</b>
<b>Non-WHO Programme Activities</b>		
Trust Fund for the Joint United Nations Programme on HIV/AIDS	36 826 972	39 926 284
International Computing Centre	5 185 624	2 574 389
The Global Fund to fight AIDS, Tuberculosis and Malaria	27 862 597	23 463 929
International Drug Purchase Facility – UNITAID	8 232 270	
Trust funds, Foundations and other funds	2 188 600	4 932 109
<i>Total non-WHO programme activities</i>	<b>80 296 063</b>	<b>70 896 711</b>
<b>Sub-total Programme Activities</b>	<b>374 652 753</b>	<b>434 208 503</b>
<b>Sundry accounts payable</b>		
Personal accounts of WHO staff – proceeds of claims and other amounts due	5 860 180	4 280 693
Due to other United Nations organizations and agencies, institutions, government and ministries, firms, corporations and other entities, for goods and services received	9 834 776	10 138 489
Due to United Nations Joint Staff Pension Fund for contributions and other payments outstanding		17 354 328
UNAIDS/UNDP Operating Fund		5 652 834
Clearance accounts	4 827 567	5 090 885
<b>Sub-total Sundry accounts payable</b>	<b>20 522 523</b>	<b>42 517 229</b>
<b>Total accounts payable</b>	<b>395 175 276</b>	<b>476 725 732</b>

## 27. Other WHO funds

	31 December 2007 (US dollars)	31 December 2005 (US dollars)
Revolving Fund for Teaching and Laboratory Equipment	400 000	400 000
Special Account for Concessions at Headquarters	2 655 841	2 817 591
Special Account for Income Derived from Patent Policy	4 430	4 060
Staff Development Fund	7 366 039	2 734 721
<b>Total</b>	<b>10 426 310</b>	<b>5 956 372</b>

## **28. United Nations Joint Staff Pension Fund**

WHO is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF) 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 UNJSPF 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.

## **29. Administrative waivers, amounts written-off, cases of fraud, ex-gratia payments**

During 2006-2007, there was one administrative waiver for \$ 5 040; thirteen cases of amounts written-off totalling \$ 372 103; seven cases of proven fraud for \$ 235 235; and one ex-gratia payments for \$ 766. In addition, further cases have been reported and these are being investigated.

## **30. Contingent liabilities**

At 31 December 2007, there were pending legal proceedings against the Organization concerning: four accidents involving WHO vehicles; a rental issue at one WHO office; four alleged contractual obligations; one issue concerning alleged fraudulent fuel trafficking; and cases of alleged unlawful dismissal by 29 former staff members. In addition, there are several claims that are currently being processed; they involve four alleged contractual obligations, an alleged obligation due to one former staff member and one case relating to alleged ecological damage caused by the construction of the WHO/UNAIDS building. These claims are not deemed to be of material significance. Finally, there were outstanding personnel matters before the ILO Administrative Tribunal. These are currently being contested by the Organization. The legal proceedings have not progressed sufficiently to determine the extent of any liability of the Organization with any degree of certainty.

## **31. Security Fund**

In view of the increased importance attached to the provision of security for WHO staff, the Director-General established a Security Fund, under Financial Regulation 9.3, to record the income and expenditure related to provision of security coordination both through reimbursement of WHO's share of the United Nations system costs and those pertaining to the Secretariat. This fund may be financed by way of appropriation from the regular budget and from other sources including the Special Account for Servicing Costs. Costs pertain to the provision of security services for staff in all locations who are engaged in work that is funded by both the regular budget and other sources.

## **32. Information Technology Fund**

The Information Technology Fund was established in 2002-2003 by the Director-General under Financial Regulation 9.3 to meet the current and future administrative information requirements of the Organization. This fund may be financed by way of appropriation from the regular budget and from other sources including the Special Account for Servicing Costs. This financing reflects the fact that the systems will support management of programmes funded by both the regular budget and extrabudgetary contributions.

## **33. Re-statement of 2004-2005 comparative figures**

The presentation of some figures in 2006-2007 has made it necessary to re-state relevant 2004-2005 figures for comparative purposes.



**34. Statement of appropriations for the financial period 2006-2007***Transfers from the regular budget*

Expenditure figures for this period include transfers from the regular budget of \$ 1.8 million to the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases; of \$ 0.15 million to the African Programme for Onchocerciasis Control; of \$ 7.3 million to the Real Estate Fund; of \$ 3.3 million to the Security Fund; and of \$ 9.9 million to the Information Technology Fund.

*Unobligated balance of appropriations*

The unobligated balance of regular budget appropriations at the end of the financial period could either be funded in total, in part, or not at all depending on the extent to which assessed contributions have been collected. Any funded part of the unobligated balance of regular budget appropriations is credited to miscellaneous income. The unfunded part of the unobligated balance of regular budget appropriations represents the amount of the effective working budget that has not been implemented. The unfunded part is credited to miscellaneous income only when the underlying outstanding assessed contributions are collected. At 31 December 2007, the unobligated balance of regular budget appropriations of \$ 16.7 million was all unfunded.

*Transfers between sections of the Appropriation Resolution*

Paragraph 3.1 of the Appropriation Resolution for the financial period 2006-2007 (resolution WHA58.4) states "notwithstanding the provisions of Financial Regulation 4.3, the Director-General is authorized to make transfers between appropriation sections of the effective working budget up to an amount not exceeding 10% of the amount appropriated for the section from which the transfer is made; all such transfers shall be reported in the financial report for the financial period 2006-2007; any other transfers required shall be made and reported in accordance with the provisions of Financial Regulation 4.3".

All transfers between appropriation sections made by the Director-General during the 2006-2007 biennium were within the authority granted under the Appropriation Resolution and were effected in order to meet changing programme needs. However, an additional requirement under one allocation in a given section may be frequently offset by a reduced requirement under another allocation in the same appropriation section, thereby avoiding the need for a transfer. The regular budget transfers made in the course of the implementation of the 2006-2007 programme budget are summarized as follows:

		2006-2007 (US dollars)
<b>Appropriation Section 1 - Essential health interventions</b>		
<i>Decrease:</i>		
African Region	Reprogramming to regional priorities and to meet actual requirements	(9 148 000)
American Region	Reprogramming to strengthen global priorities	(206 000)
South-East Asia Region	Decrease due to lower than anticipated capacity at country level, partly offset by increases for implementation of region-wide activities	(1 241 000)
European Region	Additional extrabudgetary funds available and regular budget funds redirected to other priority areas	(1 156 000)
Eastern Mediterranean Region	Transfer to reflect actual country level requirements	(5 430 000)
Western Pacific Region	Lower than anticipated costs of approved Country Plans of Action	(1 274 000)
Global and interregional	Reprogramming to strengthen global priorities	(1 771 000)
<i>Net decrease</i>		<b>(20 226 000)</b>

**2006-2007**  
(US dollars)

## **Appropriation Section 2 - Health policies, systems and products**

### *Increase:*

African Region	Reprogramming to regional priorities and to meet actual requirements	2 415 000
Eastern Mediterranean Region	Use of national languages in medical education and reflecting actual country level requirements	5 897 000
Western Pacific Region	Implementation variances	61 000
Global and interregional	Commission on Public Health, Innovation and Intellectual Property	199 000

### *Decrease:*

American Region	Reprogramming to strengthen global priorities	(160 000)
South-East Asia Region	Staffing adjustments to align with work plans and cost savings	(984 000)
European Region	Savings due to reorganization	(438 000)

### *Net increase*

6 990 000

## **Appropriation Section 3 - Determinants of health**

### *Increase:*

South-East Asia Region	Staffing adjustments to align with work plans, implementation variances, increase for region-wide activities	703 000
Global and interregional	Conference of the parties of the Framework Convention for Tobacco Control	2 391 000

### *Decrease:*

African Region	Reprogramming to regional priorities and to meet actual requirements	(3 870 000)
American Region	Reprogramming to strengthen global priorities	(213 000)
European Region	Cost savings and reduced requirements in work plans	(670 000)
Eastern Mediterranean Region	Reflecting updated needs of Member States at country level	(679 000)
Western Pacific Region	Lower than anticipated costs of approved Country Plans of Action partly offset by cost increases at Regional level	(179 000)

### *Net decrease*

(2 517 000)

## **Appropriation Section 4 - Enabling programme delivery**

### *Increase:*

South-East Asia Region	Staffing adjustments to align with work plans and higher than anticipated staff costs	1 874 000
European Region	Strengthening IT connectivity for GSM, support to Member States	936 000
Western Pacific Region	Higher than anticipated costs of approved Country Plans of Action	138 000
Global and interregional	Strengthening the internal audit function and work on ethics, and covering costs of extraordinary governing body meetings	5 411 000

### *Decrease:*

African Region	Reprogramming to regional priorities and to meet actual requirements	(1 232 000)
American Region	Reprogramming to strengthen global priorities	(124 000)
Eastern Mediterranean Region	Transfer to reflect actual country level requirements	(890 000)

### *Net increase*

6 113 000

2006-2007  
(US dollars)**Appropriation Section 5 - WHO's core presence in countries***Increase:*

African Region	Reprogramming to regional priorities and to meet actual requirements	9 592 000
European Region	Strengthening infrastructure, communications and security in country offices	687 000
Eastern Mediterranean Region	Transfer to reflect actual country level requirements	322 000
Western Pacific Region	Increased requirements in country offices due to decentralization	262 000

*Decrease:*

American Region	Reprogramming to strengthen global priorities	(106 000)
South-East Asia Region	Implementation variances due to vacant posts	(1 151 000)
Global and interregional	Reprogramming to strengthen global priorities	(90 000)

*Net increase*

9 516 000

**Appropriation Section 6 - Other***Increase:*

Global and interregional	Costs related to UN joint security	132 000
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*Decrease:*

Eastern Mediterranean Region	Reprogramming to strengthen global priorities	(8 000)
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*Net increase*

124 000

*Overall net transfer*

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***Schedule 1***

**Cash, deposits and securities  
as at 31 December 2007**

*(in thousands of US dollars)*

	2006-2007	2004-2005
<b>Cash at banks, in transit and on hand</b>		
Headquarters	568	15 549
Regional and Country Offices	102 411	80 637
<i>Total cash at banks, in transit and on hand</i>	<b>102 979</b>	<b>96 186</b>
<b>Deposits</b>		
Bank deposits and call accounts in US dollars	1 567 915	934 856
<i>Total deposits</i>	<b>1 567 915</b>	<b>934 856</b>
<b>Securities</b>		
Short-term fixed income in US dollars	573 145	474 313
Long-term fixed income in US dollars	274 976	237 750
Equity investments in US dollars	67 686	54 332
<i>Total securities</i>	<b>915 807</b>	<b>766 395</b>
<i>Total deposits and securities</i>	<b>2 483 722</b>	<b>1 701 251</b>
<b>Total cash, deposits and securities as at 31 December 2007 and 31 December 2005 (Note 18)</b>	<b>2 586 701</b>	<b>1 797 437</b>

**Schedule 2****Cash, deposits and securities by sources of funds  
as at 31 December 2007***(in thousands of US dollars)*

	2007	2005
<b>Unliquidated obligations</b>		
Inter-organization arrangements	4 903	7 659
WHO programme activities	289 454	355 653
Non-WHO programme activities - Trust funds, Foundations and other funds	80 296	70 897
<i>Total unliquidated obligations</i>	<i>374 653</i>	<i>434 209</i>
<b>Internal borrowing - Regular budget</b>	<b>(1 809)</b>	<b>(13 034)</b>
<b>Voluntary Fund for Health Promotion</b>	<b>1 474 619</b>	<b>553 847</b>
<b>Other WHO funds</b>		
Miscellaneous Income	13 821	2 432
Real Estate Fund	4 175	1 142
Security Fund	161	229
Revolving Fund for Teaching and Laboratory Equipment	400	400
Special Account for Operation of Concessions at Headquarters	2 656	2 818
Special Account for Income Derived from Patent Policy	4	4
Staff Development Fund	7 366	2 735
Revolving Sales Fund	5 587	4 650
Information Technology Fund	9 258	19 346
Special Account for Servicing Costs	41 846	92 267
Tax Equalization Fund	(4 926)	(2 706)
Terminal Payments Account	58 882	56 409
<i>Total other WHO funds</i>	<i>139 230</i>	<i>179 726</i>
<b>Trust funds</b>		
Inter-organization arrangements	3 362	1 621
WHO programme activities	99 228	77 944
Non-WHO programme activities	995 190	569 448
<i>Total trust funds</i>	<i>1 097 780</i>	<i>649 013</i>
<b>Accounts payable and receivable</b>		
Accounts payable and deferred income	20 522	42 517
Accounts receivable and prepaid expenses	(573 399)	(98 295)
<i>Total accounts payable and receivable</i>	<i>(552 877)</i>	<i>(55 778)</i>
<b>New UNAIDS/WHO Building</b>	<b>(48 417)</b>	
<b>Construction in progress</b>		<b>(26 510)</b>
<b>IARC capital assets</b>	<b>(4 194)</b>	<b>(4 193)</b>
<b>Members' contributions received in advance</b>	<b>59 299</b>	<b>50 328</b>
<b>Borrowings payable</b>	<b>48 417</b>	<b>29 829</b>
<b>Total cash, deposits and securities</b>	<b>2 586 701</b>	<b>1 797 437</b>

### Schedule 3

#### Income and expenditure for the effective working regular budget for 2006-2007

(in thousands of US dollars)

		Actual 2006-2007	Budget
<b>Income:</b>			
Members' net assessments (Schedule 4.a)		902 229	902 229
<b>Less:</b> Provision for delays in collection of assessed contributions (Schedule 4.a) <sup>a/</sup>		49 499	
<b>Contributions collected</b>		852 730	902 229
(Includes amounts credited under the financial incentive scheme - Financial Regulation 6.5)			
<b>Less:</b> Amounts transferred to Tax Equalization Fund <sup>b/</sup>		9 114	9 114
<b>Contributions collected for the effective working budget</b>		843 616	893 115
<b>Plus:</b> World Health Assembly Appropriations:			
Resolution WHA58.4 Miscellaneous income		22 200	22 200
<b>Total income for the effective working budget</b> <sup>c/</sup>		865 816	915 315
<b>Expenditure:</b>			
Expenditure for the effective working budget (Statement IV, Appropriation sections 1 to 6) <sup>d/</sup>		898 626	915 315
<b>Excess of expenditure over income</b>		32 810	
<b>Financed from:</b>			
- the Working Capital Fund	31 000		
- Internal borrowing	1 810	32 810	
a/ Assessed contributions for 2006-2007		902 229	100.00%
Contributions collected:			
in 2006	444 993		49.32%
in 2007	407 737		45.19%
<b>Total (Schedule 4.a)</b>		852 730	94.51%
Shortfall in collection of contributions for 2006-2007		49 499	5.49%
		2006-2007	2004-2005
b/ Transfer to Tax Equalization Fund (Statement IV, Appropriation section 7)		80 000	80 000
<b>Less:</b> Credits to Members		70 886	75 374
Amounts transferred to Tax Equalization Fund to meet Income Tax reimbursements		9 114	4 626
c / Approved Budget and Planned Financing			
Total approved budget (Statement IV)		915 315	880 111
To be financed as follows:			
Assessed contributions from Members for the effective working budget		893 115	858 475
Miscellaneous income appropriated		22 200	21 636
<b>Total financing of budget</b>		915 315	880 111
d / Financial outcome of the budget			
Total approved budget		915 315	880 111
<b>Less:</b> Total expenditure incurred		898 626	871 163
<b>Unobligated balance of appropriations</b> - becoming cash			
for credit to Miscellaneous Income Account when the			
outstanding underlying contributions are received		16 689	8 948

*Schedule 4.a***Assessed contributions – 2006-2007  
and prior financial periods***(in US dollars)*

Members, including Associate Members	2006-2007 assessments			Assessments of prior financial periods			Total outstanding
	Net assessments	Collected during 2006-2007	Balance outstanding 31 December 2007	Balance outstanding 1 January 2006	Collected or adjusted during 2006-2007	Balance outstanding 31 December 2007	
<b>Assessed Members</b>							
Afghanistan	17 860		17 860	306 665	83 095	223 570	241 430
Albania	44 660	44 660					
Algeria	678 780	678 780					
Andorra	44 660	44 660					
Angola	8 940	8 940					
Antigua and Barbuda	26 800	26 800		174 064	174 064		
Argentina	8 538 180		8 538 180	30 800 484		30 800 484	39 338 664
Armenia	17 860	17 860		2 446 150	90 600	2 355 550	2 355 550
Australia	14 218 400	14 218 400					
Austria	7 671 860	7 671 860					
Azerbaijan	44 660	44 660		3 794 273	100 890	3 693 383	3 693 383
Bahamas	116 100	109 050	7 050				7 050
Bahrain	267 940	267 940					
Bangladesh	89 320	89 320					
Barbados	89 320	89 320					
Belarus	160 760		160 760	237 530	160 274	77 256	238 016
Belgium	9 547 400	9 547 400					
Belize	8 940	8 940		381	381		
Benin	17 860	17 860					
Bhutan	8 940	8 940					
Bolivia	80 380	78 820	1 560	101 038	101 038		1 560
Bosnia and Herzegovina	26 800	26 800					
Botswana	107 180	107 180					
Brazil	13 602 140	13 602 140		6 465 604	6 465 604		
Brunei Darussalam	303 660	303 660					
Bulgaria	151 840	151 840					
Burkina Faso	17 860	17 860					
Burundi	8 940	7 838	1 102				1 102
Cambodia	17 860	17 860					
Cameroon	71 460	71 460		35 180	35 180		
Canada	25 123 320	25 123 320					
Cape Verde	8 940		8 940	8 533		8 533	17 473
Central African Republic	8 940		8 940	164 841		164 841	173 781
Chad	8 940	482	8 458				8 458
Chile	1 991 660	462 928	1 528 732	1 184 749	1 184 749		1 528 732
China	18 335 660	18 335 660					
Colombia	1 384 340	1 384 340		491 773	491 773		
Comoros	8 940		8 940	444 427	9 060	435 367	444 307
Congo	8 940	8 940					
Cook Islands	8 940		8 940				8 940
Costa Rica	267 940	267 940		102 588	102 588		
Côte d'Ivoire	89 320		89 320	81 120	81 120		89 320
Croatia	330 460	330 460					
Cuba	384 040	384 040		26 334	26 334		
Cyprus	348 320	348 320					
Czech Republic	1 634 400	1 634 400					

*Schedule 4.a (continued)*

Members, including Associate Members	2006-2007 assessments			Assessments of prior financial periods			Total outstanding
	Net assessments	Collected during 2006-2007	Balance outstanding 31 December 2007	Balance outstanding 1 January 2006	Collected or adjusted during 2006-2007	Balance outstanding 31 December 2007	
Democratic People's Republic of Korea	89 320	89 320		115	115		
Democratic Republic of the Congo	26 800		26 800	29 835	28 288	1 547	28 347
Democratic Republic of Timor-Leste	8 940	8 940					
Denmark	6 412 580	6 412 580					
Djibouti	8 940	4 650	4 290	4 290	4 290		4 290
Dominica	8 940		8 940	12 260		12 260	21 200
Dominican Republic	312 600	312 600		1 019 572	138 515	881 057	881 057
Ecuador	169 700	154 234	15 466				15 466
Egypt	1 071 740	1 071 740					
El Salvador	196 500	196 500					
Equatorial Guinea	17 860	17 860		8 019	8 019		
Eritrea	8 940	8 940					
Estonia	107 180	107 180					
Ethiopia	35 720	35 720					
Fiji	35 720	35 720					
Finland	4 760 300	4 760 300					
France	56 574 060	56 574 060					
Gabon	80 380	80 380					
Gambia	8 940		8 940	10 663	10 633	30	8 970
Georgia	26 800	26 800		4 439 163	180 018	4 259 145	4 259 145
Germany	77 364 300	77 364 300					
Ghana	35 720	35 720					
Greece	4 733 520	4 733 520					
Grenada	8 940	8 940		4 290	4 290		
Guatemala	267 940	267 940					
Guinea	26 800	13 440	13 360	25 760	25 760		13 360
Guinea-Bissau	8 940		8 940	222 590		222 590	231 530
Guyana	8 940	8 940					
Haiti	26 800	13 400	13 400				13 400
Honduras	44 660	44 660					
Hungary	1 125 320	1 125 320					
Iceland	303 660	303 660					
India	3 760 020	3 760 020		14 454	14 454		
Indonesia	1 268 220	1 268 220					
Iran (Islamic Republic of)	1 402 200	1 100	1 401 100	862 282	862 282		1 401 100
Iraq	142 900	71 450	71 450	6 398 801	426 579	5 972 222	6 043 672
Ireland	3 125 900	3 125 900					
Israel	4 170 860	2 851 997	1 318 863	651 934	651 934		1 318 863
Italy	43 629 560	43 629 560					
Jamaica	71 460	71 460					
Japan	173 874 320	173 874 320					
Jordan	98 240	98 240					
Kazakhstan	223 280	223 280		3 890 488	2 795 123	1 095 365	1 095 365
Kenya	80 380	80 380					
Kiribati	8 940	8 940		4 290	4 290		
Kuwait	1 446 860	1 446 860					



*Schedule 4.a (continued)*

Members, including Associate Members	2006-2007 assessments			Assessments of prior financial periods			Total outstanding
	Net assessments	Collected during 2006-2007	Balance outstanding 31 December 2007	Balance outstanding 1 January 2006	Collected or adjusted during 2006-2007	Balance outstanding 31 December 2007	
Kyrgyzstan	8 940		8 940	1 233 412	28 457	1 204 955	1 213 895
Lao People's Democratic Republic	17 360	17 360					
Latvia	133 980	133 980					
Lebanon	214 360	206 317	8 043	41 339	41 339		8 043
Lesotho	8 940	8 940					
Liberia	8 940	8 940		318 683	318 683		
Libyan Arab Jamahiriya	1 178 920	1 136 673	42 247	612 791	612 791		42 247
Lithuania	214 360	214 360		103 020	103 020		
Luxembourg	687 700	687 700					
Madagascar	26 800	26 800					
Malawi	8 940	8 940		4 290	4 290		
Malaysia	1 813 020	1 813 020					
Maldives	8 940	8 940					
Mali	17 860	9 498	8 362				8 362
Malta	125 040	125 040					
Marshall Islands	8 940		8 940	8 507	4 217	4 290	13 230
Mauritania	8 940	8 940		1 981	1 981		
Mauritius	98 240	49 744	48 496				48 496
Mexico	16 817 360	16 817 360		2 234 146	2 234 146		
Micronesia (Federated States of)	8 940	4 743	4 197				4 197
Monaco	26 800	26 800					
Mongolia	8 940	8 940					
Morocco	419 760	419 760					
Mozambique	8 940	8 940					
Myanmar	89 320	88 400	920				920
Namibia	53 600	53 600					
Nauru	8 940	3 642	5 298	103 821	103 821		5 298
Nepal	35 720	35 720					
Netherlands	15 093 640	15 093 640					
New Zealand	1 973 780	1 973 780					
Nicaragua	8 940	8 940					
Niger	8 940	8 940		137 812	137 812		
Nigeria	375 120	254 508	120 612				120 612
Niue	8 940	175	8 765	4 276	4 276		8 765
Norway	6 064 260	6 064 260					
Oman	625 180	625 180					
Pakistan	491 220	491 220		250 031	250 031		
Palau	8 940		8 940	8 236	8 236		8 940
Panama	169 700	121 090	48 610	49 540	49 540		48 610
Papua New Guinea	26 800	13 400	13 400	60 379	60 379		13 400
Paraguay	107 180	107 180		107 296	107 296		
Peru	821 680	88 699	732 981	1 259 195	1 259 195		732 981
Philippines	848 460	840 804	7 656	368 559	368 559		7 656
Poland	4 117 260	4 117 260					
Portugal	4 197 640	4 197 640					
Puerto Rico	8 940		8 940	8 580		8 580	17 520

*Schedule 4.a (continued)*

Members, including Associate Members	2006-2007 assessments			Assessments of prior financial periods			Total outstanding
	Net assessments	Collected during 2006-2007	Balance outstanding 31 December 2007	Balance outstanding 1 January 2006	Collected or adjusted during 2006-2007	Balance outstanding 31 December 2007	
Qatar	571 600	571 600					
Republic of Korea	16 040 360	16 040 360		4 609 110	4 609 110		
Republic of Moldova	8 940	8 940		2 950 023	445 000	2 505 023	2 505 023
Republic of Serbia <sup>a/</sup>	84 850	374	84 476				84 476
Romania	535 880	535 880					
Russian Federation	9 824 280	9 824 280					
Rwanda	8 940	8 940					
Saint Kitts and Nevis	8 940	8 940					
Saint Lucia	17 860	8 981	8 879	12 220	12 220		8 879
Saint Vincent and the Grenadines	8 940	5 199	3 741				3 741
Samoa	8 940	8 940					
San Marino	26 800	26 800					
Sao Tome and Principe	8 940	8 940					
Saudi Arabia	6 367 920	6 367 920					
Senegal	44 660	44 660					
Serbia and Montenegro <sup>a/</sup>	84 850	84 850		81 560	81 560		
Seychelles	17 860	17 860					
Sierra Leone	8 940	4 470	4 470				4 470
Singapore	3 465 300	3 465 300					
Slovakia	455 500	455 500					
Slovenia	732 360	732 360					
Solomon Islands	8 940		8 940	4 290		4 290	13 230
Somalia	8 940		8 940	400 224		400 224	409 164
South Africa	2 651 100	2 651 100					
Spain	22 506 500	22 506 500					
Sri Lanka	151 840	151 840					
Sudan	71 460		71 460	30 150		30 150	101 610
Suriname	8 940	8 940		112 292	112 292		
Swaziland	17 860	17 860					
Sweden	8 913 300	8 913 300					
Switzerland	10 690 600	10 690 600					
Syrian Arab Republic	339 380	339 380					
Tajikistan	8 940	8 940		469 074	71 615	397 459	397 459
Thailand	1 866 620	1 866 620					
The Former Yugoslav Republic of Macedonia	53 600	53 600		25 760	25 760		
Togo	8 940		8 940	1 029		1 029	9 969
Tokelau	8 940		8 940	4 390		4 390	13 330
Tonga	8 940	8 940					
Trinidad and Tobago	196 500	196 500					
Tunisia	285 800	234 355	51 445				51 445
Turkey	3 309 540	3 309 540					
Turkmenistan	44 660	44 660		1 259 014	247 802	1 011 212	1 011 212
Tuvalu	8 940	8 940					
Uganda	53 600	53 600					
Ukraine	348 320	348 320		32 309 438	3 373 168	28 936 270	28 936 270

*Schedule 4.a (continued)*

Members, including Associate Members	2006-2007 assessments			Assessments of prior financial periods			Total outstanding
	Net assessments	Collected during 2006-2007	Balance outstanding 31 December 2007	Balance outstanding 1 January 2006	Collected or adjusted during 2006-2007	Balance outstanding 31 December 2007	
United Arab Emirates	2 098 820	2 098 820					
United Kingdom of Great Britain and Northern Ireland	54 722 940	54 722 940					
United Republic of Tanzania	53 600	53 600					
United States of America	202 841 140	169 065 119	33 776 021	22 028 626	22 028 626		33 776 021
Uruguay	428 700	214 350	214 350	937 519	937 519		214 350
Uzbekistan	125 040	84 594	40 446	40 421	40 421		40 446
Vanuatu	8 940	8 940					
Venezuela	1 527 240	763 620	763 620	734 000	734 000		763 620
Viet Nam	187 560	187 560					
Yemen	53 600	53 553	47				47
Zambia	17 860	1 919	15 941				15 941
Zimbabwe	62 520		62 520				62 520
<b>Total - Assessed Members</b>	<b>902 229 080</b>	<b>852 730 226</b>	<b>49 498 854</b>	<b>137 389 574</b>	<b>52 678 502</b>	<b>84 711 072</b>	<b>134 209 926</b>
<b>New and formerly inactive Members</b>							
Belarus <sup>b/</sup>				363 344	181 672	181 672	181 672
Republic of Montenegro <sup>c/</sup>	5 960	5 960					
Ukraine <sup>b/</sup>				2 273 680	2 273 680		
<b>Total - New and formerly inactive Members</b>	<b>5 960</b>	<b>5 960</b>		<b>2 637 024</b>	<b>2 455 352</b>	<b>181 672</b>	<b>181 672</b>
<b>Former Members</b>							
Yugoslavia (up to 2001)				5 532 592		5 532 592	5 532 592
<b>Total - all Members</b>	<b>902 235 040</b>	<b>852 736 186</b>	<b>49 498 854</b>	<b>145 559 190</b>	<b>55 133 854</b>	<b>90 425 336</b>	<b>139 924 190</b>

<sup>a/</sup> Republic of Serbia continued the membership of Serbia and Montenegro after the declaration of independence of the Republic of Montenegro on 3 June 2006.

<sup>b/</sup> In addition to the unbudgeted amounts due from Belarus and Ukraine shown under the heading "New and formerly inactive Members", these Members also owe budgeted contributions, as indicated in this schedule under "Assessed Members".

<sup>c/</sup> Republic of Montenegro is a new Member which did not contribute to the effective Working Budget in 2006-2007.

#### ***Schedule 4.b***

### **Assessed contributions – Outstanding unpaid contributions repayment plans**

*(in US dollars)*

Certain Member States with outstanding unpaid contributions from prior years have agreed to repayment plans under which the Member States concerned commit to make annual payments towards the arrears, in addition to paying their current year assessment. These special arrangements are approved by Health Assembly resolutions, and specify the number of years over which the concerned Member State must pay the outstanding contributions.

In the event that minimum payments are not made according to the agreed plan, the Member State's voting privileges are suspended in accordance with Article 7 of the Constitution.

The Members concerned, are listed below, together with summary information concerning the terms of the approved payment plans:

Member States	Resolution	Payment period	Payments received during 2006-2007	Balance outstanding <sup>a/</sup>
Afghanistan	WHA59.6	2007-2020	0	232 500
Armenia	WHA59.7	2006-2023	90 600	2 355 550
Azerbaijan	WHA55.5	2003-2011	100 890	3 693 383
Belarus	WHA45.23	1997-2006	181 672	181 672
Central African Republic	WHA59.8	2006-2010	0	164 841
Dominican Republic	WHA59.9	2006-2020	138 515	881 057
Georgia	WHA58.8	2006-2020	180 018	4 259 145
Iraq	WHA58.9	2006-2020	426 579	5 972 222
Kazakhstan	WHA56.11	2003-2012	2 795 123	1 095 365
Republic of Moldova	WHA58.10	2006-2020	445 000	2 505 023
Tajikistan	WHA58.11	2006-2015	71 615	397 459
Turkmenistan	WHA59.10	2006-2015	247 802	1 011 212
Ukraine	WHA57.6	2004-2018	5 646 848	28 936 270
<b>Total</b>			<b>10 324 662</b>	<b>51 685 699</b>

<sup>a/</sup> In addition to the minimum annual payments in respect of arrears, the Member States concerned must also pay their current year assessed contributions.

*Schedule 4.c***Assessed contributions – Received in advance***(in US dollars)*

<b>Members, including Associate Members</b>	<b>2008 assessments</b>		<b>Balance</b>
	<b>Net assessments</b>	<b>Collected or adjusted during 2006-2007</b>	
Albania	27 870	27 870	
Algeria	394 760	3 471	391 289
Angola	13 940	44	13 896
Australia	8 299 650	102 835	8 196 815
Bahrain	153 260	1 116	152 144
Bangladesh	46 440	953	45 487
Belize	4 650	60	4 590
Benin	4 650	689	3 961
Bhutan	4 650	4 650	
Brazil	4 068 790	1 639 522	2 429 268
Bulgaria	92 890	92 890	
Burkina Faso	9 290	9 290	
Cameroon	41 800	41 800	
Canada	13 826 710	13 826 710	
China	12 387 010	8 037	12 378 973
Colombia	487 640	214 811	272 829
Congo	4 650	4 650	
Costa Rica	148 620	41 562	107 058
Croatia	232 210	1 835	230 375
Cuba	250 790	49 210	201 580
Cyprus	204 350	25	204 325
Czech Republic	1 305 020	7 642	1 297 378
Democratic People's Republic of Korea	32 510	5 870	26 640
Democratic Republic of Timor-Leste	4 650	4 650	
Denmark	3 432 530	3 432 530	
Estonia	74 310	74 310	
Ethiopia	13 940	13 940	
Fiji	13 940	237	13 703
Finland	2 619 330	35 820	2 583 510
France	30 476 640	309 979	30 166 661
Gabon	37 160	37 160	
Georgia	13 940	78	13 862
Ghana	18 580	6 279	12 301
Guatemala	148 620	485	148 135
Guyana	4 650	147	4 503
Honduras	23 220	40	23 180
Hungary	1 133 190	144 934	988 256
Iceland	171 840	1 708	170 132
Indonesia	747 720	3 243	744 477
Ireland	2 066 670	22 380	2 044 290
Italy	23 590 200	435 307	23 154 893
Japan	77 211 670	317 562	76 894 108
Kazakhstan	134 680	134 680	
Kenya	46 440	12 205	34 235
Kiribati	4 650	349	4 301
Kuwait	845 250	9 407	835 843
Lao People's Democratic Republic	1 950	141	1 809
Latvia	83 600	42 206	41 394
Lesotho	4 650	4 650	
Liberia	4 650	4 650	
Luxembourg	394 760	4 823	389 937
Madagascar	9 290	1 248	8 042

*Schedule 4.c (continued)*

Members, including Associate Members	2008 assessments		Balance
	Net assessments	Collected or adjusted during 2006-2007	
Malawi	4 650	68	4 582
Malaysia	882 400	44 075	838 325
Maldives	4 650	4 650	
Malta	78 950	895	78 055
Mauritania	4 650	240	4 410
Monaco	13 940	70	13 870
Mongolia	4 650	14	4 636
Mozambique	4 650	4 650	
Namibia	27 870	27 870	
Nepal	13 940	10	13 930
New Zealand	1 188 920	1 188 920	
Nicaragua	9 290	3	9 287
Niger	4 650	4 650	
Norway	3 632 230	21 708	3 610 522
Oman	339 030	3 745	335 285
Pakistan	274 010	14 536	259 474
Paraguay	23 220	4 560	18 660
Republic of Korea	10 092 780	39 842	10 052 938
Republic of Moldova	4 650	63	4 587
Romania	325 100	2 349	322 751
Rwanda	4 650	25	4 625
Saint Kitts and Nevis	4 650	55	4 595
Samoa	4 650	4 650	
San Marino	13 940	69	13 871
Sao Tome and Principe	4 650	4 650	
Saudi Arabia	3 474 330	2 475 381	998 949
Senegal	18 580	6 490	12 090
Singapore	1 611 540	26 075	1 585 465
Slovakia	292 590	1 431	291 159
Slovenia	445 850	5 297	440 553
South Africa	1 366 170	1 366 170	
Spain	13 784 920	54 259	13 730 661
Sri Lanka	74 310	74 310	
Suriname	4 650	22	4 628
Swaziland	9 290	9 290	
Sweden	4 974 410	26 047	4 948 363
Switzerland	5 647 810	69 510	5 578 300
Tajikistan	4 650	316	4 334
Thailand	863 820	863 820	
The Former Yugoslav Republic of Macedonia	23 220	23 220	
Tonga	4 650	4 650	
Trinidad and Tobago	125 400	1 091	124 309
Turkey	1 766 940	8 704	1 758 236
Tuvalu	4 650	24	4 626
Uganda	13 940	376	13 564
United Arab Emirates	1 402 550	13 646	1 388 904
United Kingdom of Great Britain and Northern Ireland	30 849 550	30 849 550	
United Republic of Tanzania	27 870	19 937	7 933
Vanuatu	4 650	219	4 431
<b>Total - Members contributions received in advance for 2008</b>		<b>58 412 892</b>	

Members contributions received in advance for 2009-2010 were USD 886 496.

*Schedule 5***Working Capital Fund and internal borrowing  
as at 31 December 2007***(in thousands of US dollars)*

In accordance with Financial Regulation VII, pending the 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.

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.

Resolution WHA58.4 maintains the level of the Working Capital Fund at \$ 31 million.

	2006-2007		2004-2005	
	Working Capital Fund	Internal borrowing	Working Capital Fund	Internal borrowing
<b>Opening balance as at:</b>				
1 January 2006 and 1 January 2004		(13 033)		(1 744)
<b>Repayments</b>				
Collection of arrears of assessed contributions	31 000	13 033	31 000	1 744
<i>Sub total</i>	31 000		31 000	
<b>Withdrawals</b>				
Financing of Regular Budget pending receipt of assessed contributions	31 000	1 809	31 000	13 033
<b>Balance as at:</b>				
31 December 2007 and 31 December 2005 (Statement I)		(1 809)		(13 033)
<b>Borrowing as at:</b>				
31 December 2007 and 31 December 2005				
Working Capital Fund	31 000		31 000	
Internal borrowing	1 809		13 033	
<b>Total</b>	32 809		44 033	

## ***Schedule 6***

### **Miscellaneous Income Account as at 31 December 2007**

*(in thousands of US dollars)*

The Miscellaneous Income Account is credited with income arising from a number of sources in accordance with Financial Regulation VIII.

	2006-2007
<b>Balance as at 1 January 2006</b>	2 432
Income 2006-2007	53 295
<i>Sub total</i>	55 727
<b>Less:</b>	
Appropriation resolutions for the financial period 2006-2007	
Resolution WHA58.4	
Financing of the regular budget	22 200
Adjustment mechanism	8 655
Financial incentive scheme	4 051
Resolution WHA60.8	
Global management system	7 000
<i>Sub total</i>	41 906
<b>Balance as at 31 December 2007</b>	13 821



**Schedule 7****All extrabudgetary funds  
Summary of 2006-2007 income and expenditure  
as at 31 December 2007***(in thousands of US dollars)*

	Balance 1 January 2006	Income <sup>a/</sup> 2006-2007	Adjustments <sup>b/</sup>	Expenditure 2006-2007	Balance 31 December 2007
<b>Voluntary Fund for Health Promotion</b> (Statement 1)	553 847	2 840 694	(8 480)	1 911 442	1 474 619
<b>Trust funds</b>					
<i>Inter-organization arrangements - Technical cooperation</i>					
United Nations Children's Fund	834	14 766	29	11 127	4 502
United Nations Development Programme	2 020	264	15	837	1 462
United Nations Environment Programme	20	544	2	688	(122)
United Nations International Drug Control Programme	20		17	1	36
United Nations Population Fund	(2 989)	5 402	368	5 774	(2 993)
<i>Inter-organization arrangements - Supply services</i>					
Iraq Programme (UN SCR 1472 and 1476)	(1)		1		
United Nations		25		25	
United Nations Children's Fund		32		29	3
United Nations Development Programme	(127)	2 214		1 767	320
United Nations Population Fund		38		38	
World Bank	1 845	118		1 810	153
<b>Total - Inter-organization arrangements</b> (Statement 1.2)	1 622	23 403	432	22 096	3 362
<i>WHO programme activities - Technical cooperation</i>					
Onchocerciasis Control Programme	2 268	118	(1 860)		526
African Programme for Onchocerciasis Control	3 823	26 358	3 635	24 729	9 087
Sasakawa Health Trust Fund	7 010	8 230	354	6 700	8 894
TDR <sup>c/</sup>	18 796	70 792	3 513	73 712	19 389
HRP <sup>d/</sup>	4 632	42 480	1 170	31 318	16 964
Associate Professional Officers	3 224	2 508	(813)	3 636	1 283
Other trust funds	30 098	41 991	6 924	47 600	31 413
<i>WHO programme activities - Supply services</i>					
Countries and Nongovernmental Organizations	7 896	126 244		122 547	11 593
Revolving Fund for Teaching and Laboratory					
Equipment for Medical Education and Training	197	341		459	79
<b>Total - WHO programme activities</b> (Statement 1.3)	77 944	319 062	12 923	310 701	99 228
<b>Total - Trust funds</b>	79 566	342 465	13 355	332 797	102 590
<b>Total - Extrabudgetary funds</b>	633 413	3 183 159	4 875	2 244 239	1 577 209

<sup>a/</sup> Includes cash contributions, pledges recorded as income and due in 2006-2007, refunds, interest and other revenue.<sup>b/</sup> Includes transfers between funds, adjustments to fund balances and savings on prior periods' unliquidated obligations.<sup>c/</sup> Trust Fund for the UNICEF/UNDP/World Bank/WHO Special Programme for Research and Training in Tropical Diseases.<sup>d/</sup> Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction.

## Schedule 8

### Special Account for Servicing Costs as at 31 December 2007

(in thousands of US dollars)

This account was established in order to facilitate the budgeting and accounting of funds made available to the Organization to cover in part the costs of servicing activities financed from sources other than the regular budget (i.e. from extrabudgetary resources).

The Account is credited with income from the following sources:

- (i) Funds received from the United Nations Development Fund, the United Nations Population Fund and other organizations and bodies of the United Nations system to cover support costs;
- (ii) Under Resolution WHA34.17, funds received for support costs from other extrabudgetary sources, including funds-in-trust arrangements with governments and other entities, and the Voluntary Fund for Health Promotion; and
- (iii) Interest earned on the balance of the fund.

### Income and expenditure

	2006-2007	2004-2005
<b>Balance as at 1 January 2006 and 1 January 2004</b>	<b>92 267</b>	<b>136 103</b>
<b>Income</b>		
United Nations Programmes	333	345
Support costs of subcontracting agencies	25	
Programme support costs	168 188	148 949
Rental of office accommodation at headquarters from trust funds and other arrangements	1 213	404
Interest	6 366	4 675
<i>Total income</i>	<b>176 125</b>	<b>154 373</b>
<b>Balance</b>	<b>268 392</b>	<b>290 476</b>
<b>Expenditure</b>		
Africa	34 498	26 805
The Americas	2 320	869
South-East Asia	19 525	6 910
Europe	13 500	14 101
Eastern Mediterranean	20 000	18 110
Western Pacific	13 500	10 219
Global and interregional activities	123 203	121 195
<i>Total expenditure</i>	<b>226 546</b>	<b>198 209</b>
<b>Balance as at 31 December 2007 and 31 December 2005</b>	<b>41 846</b>	<b>92 267</b>

**Schedule 9****Real Estate Fund  
as at 31 December 2007***(in thousands of US dollars)*

This fund was established by the Twenty-third World Health Assembly in resolution WHA23.14.

The Real Estate Fund, under the Financial Regulations and Financial Rules, is funded by appropriation from the regular budget. The Real Estate Fund is also credited with receipts of rentals relating to real estate operations (other than rental for office accommodation, garage rentals and income from the operation of concessions at headquarters), and interest earned on balances in the fund.

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 maintenance and repairs of and alterations to houses leased to staff by the Organization. Specific Health Assembly authorization is required for acquisition of land and construction of buildings or building extensions.<sup>a/</sup>

	2006-2007
<b>Balance as at 1 January 2006</b>	<b>1 142</b>
<b>Income</b>	
Appropriation from regular budget	7 304
Rents collected	643
Interest	461
<i>Total income</i>	<b>8 408</b>
<b>Expenditure</b>	
<i>Headquarters:</i>	
Construction of new UNAIDS/WHO building - WHA 56.13	1 404
WHO share of loan repayment for new UNAIDS/WHO building - WHA 56.13	544
Major repairs of and alterations to existing office buildings	593
<i>Regional Office for Africa:</i>	
Construction of new housing facilities - WHA 56.14	113
Maintenance, repairs and alternations to staff houses	412
Construction of new conference room and office space - WHA 56.14	12
Major repairs of and alterations to existing office buildings	61
<i>Regional Office for the Americas:</i>	
Major repairs of and alterations to existing office buildings	484
<i>Regional Office for South-East Asia:</i>	
Major repairs of and alterations to existing office buildings	294
<i>Regional Office for Europe:</i>	
Major repairs of and alterations to existing office buildings	674
<i>Regional Office for the Eastern Mediterranean:</i>	
Major repairs of and alterations to existing office buildings	85
Maintenance, repairs and alternations to staff houses	(50)
<i>Regional Office for the Western Pacific:</i>	
Extension of existing building and construction of new building - WHA 55.8	749
<i>Total expenditure</i>	<b>5 375</b>
<b>Balance as at 31 December 2007<sup>b/</sup></b>	<b>4 175</b>

<sup>a/</sup> See note 22 regarding the construction of a new building at Headquarters.

<sup>b/</sup> This balance has been allocated to planned projects.

## Schedule 10

### Terminal Payments Account as at 31 December 2007

(in thousands of US dollars)

This account was established to provide for financing the terminal emoluments of staff members, including repatriation grant, accrued annual leave, repatriation travel, removal on repatriation, and other separation payments. It is funded by a budgetary provision set for the biennium 2006-2007 at 2.5% of fixed term staff net salaries and professional staff post adjustment. As confirmed by the Executive Board in January 2007, the staff rules governing the types of appointments of staff have been amended effective 1 July 2007. As a result, temporary staff appointed under Staff Rule 420.4 are entitled to terminal payment benefits and therefore, from 1 July 2007, the budgetary provision of 2.5% has been extended to temporary staff net salaries and professional staff post adjustment. This rate applies to all staff, including those assigned to the Joint United Nations Programme on HIV/AIDS (UNAIDS); the International Agency for Research on Cancer (IARC); the International Computing Centre (ICC); the African Programme for Onchocerciasis Control (APOC); the Global Fund to fight AIDS, Tuberculosis and Malaria (TGF); and the International Drug Purchase Facility (UNITAID). It excludes, however, those staff funded from UNDP and staff appointed under the Associate/Junior Professional Officers programme. In this way, it is ensured that each source of funds which participates under the scheme bears its appropriate share of the terminal emoluments paid to separating staff members. Interest earned on investments is also credited to the account. The account does not reflect the Organization's and other entities full long-term liability for the terminal emoluments of staff members, of which the present value at 31 December 2007 is estimated at \$ 163 million.

	2006-2007	2004-2005
<b>Balance as at 1 January 2006 and 1 January 2004</b>	<b>56 409</b>	<b>52 911</b>
<b>Income</b>		
Provision for terminal payments	23 407	15 120
Interest	5 327	2 280
<i>Total income</i>	<b>28 734</b>	<b>17 400</b>
<b>Expenditure</b>		
Repatriation grant	6 331	5 061
Accrued annual leave	6 448	4 849
Repatriation travel	1 343	1 332
Removal on repatriation	2 713	985
End-of-service grant	236	194
Abolition of posts	1 290	804
Separation by mutual agreement	7 755	582
Termination for reason of health	145	95
<i>Total expenditure</i>	<b>26 261</b>	<b>13 902</b>
<b>Balance as at 31 December 2007 and 31 December 2005</b>	<b>58 882</b>	<b>56 409</b>

**Schedule 11****Supply services funds (trust funds)  
as at 31 December 2007***(in thousands of US dollars)*

These include funds deposited with the Organization, usually in local currencies, by governments and institutions for the purchase of medical supplies, equipment and literature on their behalf. Local currencies are accepted to the extent that they can be utilized by the Organization in its day-to-day operations and activities within a reasonable time. Funds are also received from, and supplies made available to, other organizations of the United Nations system for use in the health aspects of emergency operations and activities.

	Balance 1 January 2006	Receipts 2006-2007	Expenditure 2006-2007	Balance 31 December 2007
Countries	7 896	126 244	122 546	11 594
United Nations sources				
Iraq (SCR 986)	(1)	1		
Other	1 718	2 426	3 669	475
<i>Total - United Nations sources</i>	1 717	2 427	3 669	475
<b>Total</b>	<b>9 613</b>	<b>128 671</b>	<b>126 215</b>	<b>12 069</b>

## ***Schedule 12***

### **Staff Development Fund as at 31 December 2007**

*(in thousands of US dollars)*

In 2004, the Director-General established the Staff Development Fund to permit sustainable investment in the area of staff development. It is funded by a budgetary provision set for the biennium 2006-2007 at 2% of fixed term staff costs. The funds are allocated by the Global Learning Committee against 6 learning priorities.

### **Income and expenditure**

	2006-2007	2004-2005
<b>Balance as at 1 January 2006</b> and 1 January 2004	2 735	
<b>Income</b>		
Provision for staff development	12 173	10 271
<i>Total income</i>	12 173	10 271
<b>Expenditure</b>		
Africa	1 073	554
The Americas	790	972
South-East Asia	759	439
Europe	703	761
Eastern Mediterranean	613	513
Western Pacific	512	431
Global and interregional activities	3 092	3 866
<i>Total expenditure</i>	7 542	7 536
<b>Balance as at 31 December 2007</b> and 31 December 2005	7 366	2 735

### Schedule 13

**Financial implementation by category of expenditure  
and sources of funds**  
**Financial period 2006-2007**

(in thousands of US dollars)

Category of expenditure	Sources of funds									
	Regular budget		Voluntary Fund for Health Promotion		Special Account for Servicing Costs		Other funds including United Nations sources		Total	
		%		%		%		%		%
Salaries and common staff costs	542 446	60.3	239 884	12.5	99 156	43.7	53 829	13.9	935 315	27.4
Short-term staff	74 553	8.3	282 720	14.9	32 378	14.3	19 821	5.1	409 472	12.0
Consultants	3 041	0.3	27 328	1.4	270	0.1	2 034	0.5	32 673	1.0
Temporary advisers	6 754	0.8	61 654	3.2	162	0.1	10 528	2.7	79 098	2.3
Members of expert committees, study groups and scientific groups	340	0.0	135		866	0.4	2	0.0	1 343	
Governing body delegates and members	380	0.0	3		265	0.1			648	
Travel on official business	21 503	2.4	74 635	3.9	4 316	1.9	9 603	2.5	110 057	3.2
Research contracts	590	0.1	11 934	0.6	6		26 710	6.9	39 240	1.1
Contractual services, translation, printing, data processing, and other operations	56 489	6.3	306 660	16.1	8 705	3.8	54 036	14.1	425 890	12.4
Supplies and materials, rental and maintenance of premises and equipment, stationery, utilities and communications	58 913	6.6	279 364	14.6	43 201	19.1	148 226	38.4	529 704	15.5
Supplies and services in kind			47 547	2.5					47 547	1.4
Acquisition of furniture and equipment	17 630	2.0	46 349	2.4	14 420	6.4	5 444	1.4	83 843	2.4
Acquisition and improvement of premises	1 628	0.2	6 449	0.3	1 734	0.8			9 811	0.3
Fellowships and other educational activities	28 737	3.2	43 600	2.3	366	0.2	8 673	2.2	81 376	2.4
Direct financial cooperation	41 424	4.6	330 140	17.3	514	0.2	19 108	4.9	391 186	11.4
General project costs - The Americas	42 657	4.7	26 551	1.4	13 349	5.9	3 881	1.0	86 438	2.5
Other expenditure, including programme support costs and joint activities with the United Nations	1 541	0.2	126 489	6.6	6 838	3.0	24 696	6.4	159 564	4.7
<b>Sub total</b>	<b>898 626</b>	<b>100.0</b>	<b>1 911 442</b>	<b>100.0</b>	<b>226 546</b>	<b>100.0</b>	<b>386 591</b>	<b>100.0</b>	<b>3 423 205</b>	<b>100.0</b>
Eliminations (see Statement I)									(324 940)	
<b>Total - WHO programme activities</b>									<b>3 098 265</b>	

## ***Glossary of budgetary and financial terms 2006-2007***

This glossary of budgetary and financial terms provides an explanation of the main terms used in the two documents that present the WHO financial framework. The Programme Budget is approved by the Health Assembly and is a plan in programmatic terms for the work of the Organization in the biennium. The Financial Report, which is audited on a biennial basis, provides information on the actual income and expenditure of the Organization and shows the assets and liabilities at the end of each year. The report of the External Auditor is presented along with the Financial Report and enables Member States and other readers of the Financial Report to know that an independent audit has taken place and whether there are any significant issues that require attention. The External Auditor also gives an opinion on whether the Financial Report for the biennium presents fairly, in all respects, the financial position of the Organization.

**Account:** a formal record of an asset, liability, revenue or expense in which the effects of transactions are indicated in terms of money or some other unit of measurement.

**Accounting, cash basis of:** the method of recording transactions by which income and expenditure and other costs are recorded on the basis of actual collection or disbursement of cash in a given period.

**Accounts payable:** accounts showing amounts due to be paid to creditors.

**Accrual basis of accounting:** the accrual basis of accounting for revenue in each financial period means that income is recognized when it is due and not when it is received. Accrual of expenditure in each financial period means that costs are recognized when obligations arise or liabilities are incurred and not when payments are made.

**Appropriation:** an amount voted by the Health Assembly for a specified purpose and for a financial period. This represents a ceiling, a maximum figure against which regular budget obligations may be incurred. Effective appropriation: represents the amount of the appropriation after taking into account any transfers which the Director-General is authorized to make between appropriation sections.

**Appropriation resolution:** a resolution by the Health Assembly approving the regular budget appropriations for a financial period and their financing. The appropriation resolution also notes the amount of the expenditure in the Programme Budget to be financed from voluntary contributions.

**Assessment, scale of:** a scale established by the Health Assembly to apportion the amount required for the regular budget net assessments of the Organization for a given period among Member States.

**Budget:** a plan in financial terms for the carrying out of a programme of activities in a specific period. A programme budget focuses upon the work to be undertaken and the objectives sought through that work: it emphasizes the ends to be achieved and translates them into the costs required for their implementation. Decisions relate both to resource levels, financing and to results to be achieved.

**Budget, effective working:** represents that part of the approved regular budget against which the Director-General is authorized to incur obligations.

**Budget, working:** the working budget comprises allocations from the regular budget and voluntary contributions and represents that part of the programme budget that has been allocated as adjusted by transfers between appropriation sections and/or Offices.

**Disbursements:** payments in cash.

**Exchange rate hedging:** this mechanism seeks to maintain the level of the budget so that the activities represented by the budget approved by the Health Assembly may be carried out irrespective of the effect of any fluctuation of currencies against the US dollar.

**Expenditure:** amounts charged against income in a given period, whether disbursed or not, against appropriations or voluntary contributions.



**Fund accounting:** the method of accounting under which each fund is maintained as a distinct financial and accounting entity with a separate, self-balancing group of accounts.

**Imprest account:** a fund or an account established with a fixed amount and maintained at that level by periodic replenishments of the sums disbursed. Generally, imprest accounts are used for making payments in Country Office locations.

**Internal borrowing:** a mechanism by which, once the Working Capital Fund has been fully utilized, other available funds are used in order to finance regular budget implementation pending the receipt of assessed contributions. Internal borrowing is reimbursed when Member States pay their arrears of assessed contributions.

**Liability:** a present obligation of the Organization arising from past events, the settlement of which is expected to result in an outflow of resources from the Organization.

These include:

- i. Contributions or payments received in advance;
- ii. Borrowings payable within one year;
- iii. Unliquidated obligations;
- iv. Accounts payable, including inter-fund balances payable and other accounts payable;
- v. Other funds and special accounts;
- vi. Other liabilities; and
- vii. Borrowings payable after one year.

**Obligation:** an engagement involving a liability against the resources of the current financial period.

**Obligation, unliquidated:** an obligation or that part of an obligation which has not been settled.

**Revolving fund:** a fund established so that income from specific activities may be used to cover the costs of those activities. Any surplus may be carried forward to a future period.

**Savings on unliquidated obligations and accounts payable:** the balance remaining within unliquidated obligations or accounts payable after payment of all liabilities under those obligations.

**Tax equalization fund:** a fund which is credited with the revenue from the staff assessment plan for each Member State and which is reduced by refunds to staff for income taxes levied by Member States on the emoluments of their nationals or others liable to such taxes.

**Unobligated balance:** that part of an appropriation, contribution or allotment which has not been obligated. The unobligated balance of regular budget appropriations at the end of the financial period could either be funded in total, in part, or not at all depending on the extent to which assessed contributions have been collected. Any funded part of the unobligated balance of regular budget appropriations is credited to miscellaneous income. The unfunded part of the unobligated balance of regular budget appropriations represents the amount of the budget appropriations that cannot be implemented. The unfunded part is credited to miscellaneous income only when the underlying outstanding assessed contributions are collected.

**Working capital fund:** a fund established by the Health Assembly for the purpose of financing regular budget implementation pending the receipt of assessed contributions. Withdrawals from the fund are reimbursed when Member States eventually pay their arrears of assessed contributions.