



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
107th Session
Provisional agenda item 5.2

EB107/11
7 December 2000

Casual income

Report by the Director-General

ESTIMATED CASUAL INCOME AVAILABLE AS AT 31 DECEMBER 2000

1. In accordance with current Financial Regulations, the Casual Income account is credited with income arising from interest on funds deposited with banks, the sale of equipment and other property, exchange differential and other sundry revenues, including income from the operation of the underground garage at headquarters. The account is also credited with the unobligated balances of appropriations remaining at the end of the financial period when such balances become cash for credit to casual income, and as outstanding assessed contributions to the regular budget for the past financial periods are paid.
2. The Annex to this report shows the amounts of casual income available at year-end during the period 1996 to 2000 and the amounts used for the regular budget and other purposes. The amount indicated as the balance available as at 31 December 2000 is a tentative estimate; the actual amount at that date will be known only after completion in March 2001 of the interim financial report of the Organization for 2000. The interim financial report will be submitted to the Fifty-fourth World Health Assembly in May 2001.
3. Under the exchange rate facility and in accordance with current Financial Regulations and the appropriation resolution for the biennium 2000-2001 (resolution WHA52.20), additional costs or savings in the implementation of the current regular budget, on account of the currencies of the countries of location of the regional offices and headquarters, will be charged or credited to casual income. The operation of this facility for 2000 is expected to generate a net income of about US\$ 5 million; should a deficit arise in 2001, it will have to be met from casual income earned during that year.
4. The depletion of the Working Capital Fund continues to be of much concern. Since 1994-1995 this account has not been fully restored to its authorized level of US\$ 31 million and has not been functioning as originally expected by the Health Assembly. One of the causes of the depletion of the Fund is the application of payments of arrears of contributions by Member States. Unless arrears of contributions received can be directly identified to drawings under the Working Capital Fund corresponding to the biennium for which they both relate, arrears received are credited to casual income. This has had the effect of increasing the amount available for appropriation from casual income at the expense of replenishing the Working Capital Fund. This matter has been addressed in the new Financial Regulations and proposed Financial Rules.

5. By resolution WHA53.5, the Fifty-third World Health Assembly decided that all arrears of contributions received during 1998-1999 be used to replenish the Working Capital Fund. The Executive Board may wish to recommend to the Fifty-fourth World Health Assembly that the estimated amount for collection of arrears of contributions for 2000 of US\$ 4.0 million, also be used to further replenish the Working Capital Fund. This would be consistent with the revised Financial Regulations.

6. Based on current information it is estimated that at 31 December 2000, a balance of US\$ 22.2 million will be available for appropriation by the Fifty-fourth World Health Assembly in May 2001.

	US \$	US \$
Balance carried forward from 31 December 1999		24 825 513
Less: Amounts appropriated during 2000 (resolution WHA53.5)		
(i) to part finance the regular budget for the period 2002-2003, to be apportioned among Member States in accordance with the financial incentive scheme (resolution WHA41.12) from interest earnings in 1999	6 012 373	
(ii) to finance the Real Estate Fund in accordance with proposals contained in the report by the Director-General	2 141 721	
(iii) to replenish the Working Capital Fund by the amount of arrears of contributions credited to casual income	10 298 723	
(iv) to return the balance to Member States in 2000 to apply against their regular budget assessments	<u>6 372 696</u>	<u>24 825 513</u>
Balance		0
Add: Estimated casual income for 2000		
Exchange differential on currencies and cash balances	(852 000)	
Exchange rate savings for 2000	5 215 000	
Collection of arrears of contributions 1996-1997, 1992-1993, 1988-1989 and earlier	4 000 000	
Assessments on formerly inactive Members	107 927	
Interest earnings	9 500 000	
Refunds and rebates	350 000	
Sale of equipment	45 000	
Savings on unliquidated obligations	3 700 000	
Underground parking	<u>150 000</u>	<u>22 215 927</u>
Estimated balance as at 31 December 2000, available for appropriation		<u>22 215 927</u>

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

ACTION BY THE EXECUTIVE BOARD

8. The Executive Board may wish to consider the following draft resolution. The actual amounts will be decided upon by the Fifty-fourth World Health Assembly in May 2001 on the basis of the final figures as shown in the interim financial report of the Organization for the year 2000.

The Executive Board,

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

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

The Fifty-fourth World Health Assembly

DECIDES that the estimated amount available in casual income as at 31 December 2000 should be used:

	US \$
(i) to part finance the regular budget for the period 2002-2003, to be apportioned among Members in accordance with the financial incentive scheme (resolution WHA41.12) from the estimated interest earnings in 2000	9 500 000
(ii) to finance the Real Estate Fund in accordance with proposals contained in the report by the Director-General	2 689 712
(iii) to replenish the Working Capital Fund by the estimated amount of arrears of contributions credited to casual income	4 000 000
(iv) to retain the estimated balance in the Casual Income account pending disposition as part of Miscellaneous Income ²	6 026 215

¹ Document EB107/11.

² The revised Financial Regulations adopted by resolution WHA53.6 will become effective after the Executive Board confirms at its 107th session the revised Financial Rules. Regulation VIII – Miscellaneous and other income – of the revised Financial Regulations will then become effective.

ANNEX
CASUAL INCOME, 1996-2000
(US dollars)

Year	Balance 1 January	Appropriated or utilized for			Casual income received during the year, net of exchange rate facility	Balance at 31 December
		Regular budget	for biennium	Other purposes ^a		
(1)	(2)	(3)		(4)	(5)	(6)
1996	19 702 262	-	-	9 269 000	19 033 757	29 467 019
1997	29 467 019	12 617 000	1998-1999	(684 427)	12 613 958	30 148 404
1998	30 148 404	16 256 760	1998-1999	8 130 709	17 559 979	23 320 914
1999	23 320 914	2 765 347	1998-1999	9 587 391	19 412 904	24 825 513
		5 555 567	2002-2003			
2000	24 825 513	6 372 696	2002-2003	7 225 444	17 000 927	22 215 927 ^b
		6 012 373	2002-2003			

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

Year	Real Estate Fund	Programmes financed by appropriation from casual income	Transfer to Working Capital Fund (resolutions WHA48.21 and WHA53.5)	Usage of exchange rate facility (Financial Regulation 4.6)	Total column 4 above
1996	-	10 000 000 ¹	5 000 000	(5 731 000)	9 269 000
1997	10 705 000	6 145 000 ²	-	(17 534 427) ³	(684 427)
1998	-	10 000 000 ¹	-	(1 869 291)	8 130 709
1999	(2 049 000) ⁴	15 000 000 ⁵	-	(3 363 609)	9 587 391
2000	2 141 721	-	10 298 723	(5 215 000) ^b	7 225 444

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

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

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

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

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

^b Estimated.