



WORLD HEALTH ORGANIZATION

FIFTY-SECOND WORLD HEALTH ASSEMBLY
Provisional agenda item 15

A52/13*
31 March 1999

Unaudited interim financial report for the year 1998

Financial period 1998-1999

* Information on income received and expenditure incurred during 1998 under extrabudgetary resources is contained in the Annex (document A52/13 Add.1), which accompanies and forms part of the unaudited interim financial report for the year 1998.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR 1998
FINANCIAL PERIOD 1998-1999

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INTRODUCTION

1. The unaudited interim financial report of the Organization for the year 1998 is submitted by the Director-General in accordance with Article 34 of the Constitution. The report has been prepared in accordance with Financial Regulation 11.3, which provides for an interim financial report to be established at the end of the first year of the two-year financial period, and for a final financial report covering the full biennium to be prepared at the end of the second year of the financial period.

2. On 21 July 1998, the administration of WHO changed. The new administration has introduced a new budget structure which reflects a new organizational structure. This interim financial report for 1998, however, reports on the implementation of the programme budget 1998-1999 which was adopted by the Health Assembly in 1997 under a previous programme budget structure. Accordingly, these accounts relate to that previous structure, as will, the final accounts for the biennium 1998-1999. The financial report for the next biennium 2000-2001 will be based on the new structure of the Organization, as reflected in the proposed programme budget for 2000-2001 to be approved at the Fifty-second World Health Assembly.

Presentation of the interim financial report

3. Financial statements I to IV have been prepared to comply with the recommended format of the United Nations Accounting Standards (UNAS). This has been a major change in the presentation of WHO's financial statements introduced for the first time in 1996-1997. These statements are supported by and explained in detail in the supporting Notes to the Financial Statements and Schedules.

4. The Annex (document A52/13 Add.1), which is issued as part of the report, contains cumulative information on extrabudgetary contributions for WHO-assisted activities, listed by Member States and other contributors. It also contains details on income and expenditure under all extrabudgetary funds available for programme purposes, such as the United Nations Development Programme, the United Nations Population Fund, the Voluntary Fund for Health Promotion, the Trust Fund for the Global Programme on AIDS, the Onchocerciasis Control Programme, the African Programme for Onchocerciasis Control, the Sasakawa Health Trust Fund and the Trust Fund for the Special Programme for Research and Training in Tropical Diseases. This presentation satisfies the need of many donors for financial reports on contributions and expenditures from these sources during the financial period. Additional information on contributions to the different accounts of the Voluntary Fund for Health Promotion, as well as detailed information on international health programme expenditures by source of funds for country, intercountry, regional, global and interregional activities derived from the audited accounts, are available in separate computer printouts on request.

Establishment of a Special Account for the WHO Renewal Fund

5. In accordance with Financial Regulations 6.5, the Director-General has established a Special Account for the WHO Renewal Fund, the purpose of which is to provide the financial and accounting mechanism to record income received in the fund and expenditure incurred. The purpose of the Renewal Fund is to finance, for a period of three years from 1998, the specific initiatives for change developed in WHO aimed at a more unified, effective and responsive Organization.

Income received under the Special Account and expenditures incurred are reported in Statement I.1 - Consolidated Income and Expenditure and Changes in Fund Balances - Other WHO Funds, under its own column. Schedule 6 of the Financial Report provides details of such income and expenditure.

Collection of assessed contributions

6. The rate of collection of annual assessed contributions at the end of 1998 was 77.9% of the assessed amounts; this compares with collection rates of 77.7% and 78.3% on 31 December 1996 and 31 December 1997 respectively. As at 31 December 1998, 88 Members (87 at 31 December 1997) had not paid their current year's assessment in full, including 63 Members (61 at 31 December 1997) who had made no payment for the year.

7. The concern caused by the continuing high level of contributions outstanding from Members, and the effects of such delays in payment on the programme of work approved by the Health Assembly, has been extensively discussed regularly by the Executive Board and the Health Assembly. At its 101st session in January 1998, the Executive Board adopted resolution EB101.R17 urging Members in arrears to pay their outstanding contributions before the Fifty-first World Health Assembly. In resolution WHA51.1, the Health Assembly again drew the attention of Member States to the need for urgent action in the payment of assessed contributions, and requested a report to the Executive Board at its 103rd Session. As a result, the Executive Board adopted resolution EB103.R12, recommending that the Fifty-second World Health Assembly again call attention to the importance of the payment of contributions in full and in time.

Effects of exchange rate movements

8. By resolution WHA50.25, and in terms of Financial Regulation 4.6, the Health Assembly had authorized the Director-General to use, from the Casual Income Account, a net amount of up to \$ 31 million to reduce the adverse effects of currency fluctuations on the programme budget for 1998-1999.

9. During the year 1998, the United Nations/WHO accounting rates of exchange in respect of CFA francs, Indian rupee, the Danish krone and the Philippine peso generated exchange rate savings of \$ 2 504 838 and in respect of the Swiss franc, an exchange loss of \$ 635 547, in terms of the US dollar, in relation to the budgetary rates of exchange set for those currencies for the biennium.

10. In addition, based upon the UN/WHO accounting rates of exchange in effect at 31 December 1998 and on the assumption that these rates would be maintained for the remainder of the financial period, it was estimated that no further significant savings would accrue during 1999, resulting in a total net credit for exchange rate savings for 1998-1999 of \$ 1.8 million. Net savings or deficiencies are taken to casual income on a month by month basis as they accrue according to the monthly established UN/WHO accounting rates of exchange.

11. Following the closure of the 1998-1999 biennial accounts, the operation of the exchange rate facility during the biennium will be reported in the final Financial Report covering the full financial period.

Obligations incurred - regular budget

12. In the biennial budget, funds are allotted for the two-year period. Against those allotments obligations have been incurred, where appropriate, for the full 24 months (e.g., salaries); in other cases (e.g., consultants and short-term personnel services, travel, fellowships, contractual services, meetings, purchase of supplies and equipment, and printing work, etc.), obligations have been incurred only to the extent that commitments were known and had been established as at 31 December 1998. At the end of the biennial period, data by programme, region, etc., covering the two-year financial period will be included in the Financial Report for the biennium 1998-1999 to be presented to the Fifty-third World Health Assembly. Additionally, other detailed information will be provided on project costs by source of funds for country, intercountry, regional, global and interregional activities.

Programme support costs

13. It is the established practice of the Organization to charge programme support costs (PSC) in respect of activities financed from extrabudgetary resources.

The main rates charged are as follows (other rates may be charged in special cases):

- C 13% - normal programme support costs.
- C 6% - Supply services and emergency humanitarian activities.
- C 3% - Supply services for Member States when financed by the Member State.

Cabinet will be reviewing the subject of programme support costs in 1999.

Cash management and investments

14. All funds received by the Organization for programme activities, whether under the regular budget or from extrabudgetary sources, are dealt with in accordance with WHO's cash management and investment policy. Interest earnings on the total capital managed by the Organization, its own as well as trust funds and the Voluntary Fund for Health Promotion (VFHP), are apportioned on a monthly basis. Interest is credited to all special accounts under the Voluntary Fund for Health Promotion, and to major trust funds. Interest may also accrue in respect of VFHP sub-programmes within those funds where the cash balance is \$ 400 000 or higher, and for individual contributions with a cash balance of \$ 1 million and above. Interest earnings on each individual account during a financial period are retained for the benefit of the programme in accordance with established WHO procedures.

Year 2000 compliance

15. In anticipation of the "millennium" problem, the Organization, prior to 1992-1993, had initiated action to ensure the compatibility of its finance, accounting and other related computer systems to be Year 2000 compliant, to avoid potential disruption of operations at the end of the century. To this end, all new and updated software developments in the Administration and Finance Information System (AFI) since 1992-1993 have been Year 2000 compliant.

The Regional Office for Africa

16. Arising from the civil disturbances in June 1997, the staff at the Regional Office for Africa (AFRO) in Brazzaville were evacuated, with the temporary relocation of some senior staff and a number of selected support staff, to Geneva. Although there was unavoidable disruption at the regional office level, country programmes continued to receive full support when funding and other arrangements were diverted through headquarters in Geneva. Since October 1997, the regional office has effectively operated from a temporary location in Harare, Zimbabwe. The office buildings, furniture, equipment and other facilities including staff housing accommodation in Brazzaville, were of limited use since the evacuation in June 1997 and were subject to further serious damage at the end of 1998.

Audit opinion

17. The interim financial report is not accompanied by an audit opinion. However, the accounts are subject to continuous examination and review by both internal and external auditors and, pursuant to the Financial Regulations, the External Auditor is at liberty to report to the Health Assembly on any aspect of the accounts should he feel the need to do so.

UNAUDITED INTERIM FINANCIAL STATEMENTS AND SCHEDULES FOR THE YEAR 1998

I. STATEMENT OF OBJECTIVES AND ACTIVITIES

1. The objective of the World Health Organization is the attainment by all peoples of the highest possible level of health.
2. At the time the 1998-1999 programme budget was adopted in 1997 to achieve this objective, the Organization acted as the directing and coordinating authority on international health work. It cooperated with governments, upon request, in strengthening health services, providing appropriate technical assistance and, in emergencies or natural disasters, necessary assistance in the form of emergency supplies and equipment, expert services and other technical inputs. The Organization established and maintained effective collaboration with the United Nations and other specialized agencies, governmental health administrations and other groups, as appropriate, in areas and disciplines across the overall health spectrum. Within the context of its objective, the Organization developed a blueprint for health for all, drawn up with special emphasis on the provision of primary health care, universally accessible to the people by means acceptable to them, with their full participation and at a cost which communities and countries could afford. Nutrition, safe water supply, communicable disease control and research in applying existing knowledge to the health problems of developing countries were identified in the blueprint as priority areas for action.
3. The programme budget for 2000-2001, by the new administration, contains a new strategic focus, missions and goals to achieve the objectives of the Organization.

II. STATEMENT OF ACCOUNTING POLICIES

General accounting policies

4. The accounting policies and financial reporting practices applied in WHO in general are based upon the requirements of WHO Financial Regulations and Financial Rules. However, as authorized by the Forty-ninth World Health Assembly, the financial statements, accompanying notes and schedules are established in accordance with the United Nations System Accounting Standards (UNAS) and drawn up in the formats stated therein. There are no material inconsistencies between those standards and the WHO Financial Regulations and Financial Rules. As recognized by the Administrative Committee on Coordination (ACC) within the United Nations system and as provided in the accounting standards, since the financial period 1996-1997 was the first in which the standards had been applied in WHO, the opening balances on 1 January 1996 contained in the comparative figures for 1996-1997 have not been adjusted to conform with those standards.
5. Where, due to the application in 1996-1997 of accounting policies and practices in conformity with the United Nations System Accounting Standards, changes took place in WHO accounting procedures and in the presentation of the financial statements, the fact that such changes occurred and their financial effects were disclosed in the relevant statements and schedules or were otherwise indicated. The major change was the adoption of accrual accounting for expenditures under all funds, whereas previous to 1996-1997 some funds were reported on a cash basis (Note 18).

Unit of account and general accounts presentation

6. The financial statements, schedules and accompanying tables are presented in US dollars. All assets and liabilities, including accounts receivable and payable, are maintained globally within the Organization's books of account and are not segregated by source of funds.

Translation of transactions incurred and assets and liabilities held in currencies other than US dollars

7. Translation of transactions expressed in currencies other than US dollars is effected at the prevailing United Nations accounting rate of exchange 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.

8. Assets and liabilities held in other currencies at the end of the financial period are translated into US dollars at the United Nations accounting rates of exchange prevailing on 31 December of the closing year. However, when significant changes occur in the relationship between currencies at the end of a financial period, the exchange rates used to translate into US dollars funds held in such currencies as at 31 December are those in force on 1 January of the subsequent year. Since in fact there was no such substantial change in exchange rates on 1 January 1999, the rates of exchange used were in all cases those prevailing for the month of December 1998.

Accounting for exchange differential

9. Exchange rate gains and losses on the purchase and sale of currencies, in addition to the exchange differential arising from the revaluation of cash book balances, are adjusted against the funds and accounts which participate in the apportionment of interest under the WHO general investment plan (see Note 12). All other exchange differences are absorbed within casual income.

Consolidated Statement of Income and Expenditure and Changes in Fund Balances
All Sources of Funds
Unaudited Interim Financial Report for the year 1998
(expressed in US dollars)

| | Reference | Regular Budget and Working Capital Fund (Schedules 1,2) | Other WHO Funds (Statement I.1) | Voluntary Fund for Health Promotion (A52/13 Add.1, page 43) | Trust Funds (Statements I.2,I.3,I.4) |
|---|-------------------------|--|---------------------------------------|---|--|
| INCOME: | | | | | |
| Assessed contributions: | | | | | |
| - For the effective working budget (1998) | Schedule 1 Notes 1,2 | 408 386 000 | 10 365 000 | | |
| - New and formerly inactive Members | Note 3 | | | | |
| Total assessed contributions | | 408 386 000 | 10 365 000 | | |
| Voluntary contributions: | | | | | |
| - WHO programme activities | Notes 4,5 | | 2 728 885 | 259 738 339 | 97 796 145 |
| - Non-WHO programme activities | Note 6 | | | | 169 445 980 |
| Other income: | | | | | |
| - Revenue-producing activities | Note 7 | | 4 837 484 | | 85 454 |
| - Funds under inter-organization arrangements | Note 8 | | | | 41 682 961 |
| - Allocations from other funds | Note 9 | | | | |
| - Income from services rendered | Notes 10,11 | | 40 372 092 | | |
| - Interest income : received and apportioned accrued and unapportioned | Notes 12,13 Note 14 | | 8 893 181 | 10 910 600 | 8 305 097 |
| - Exchange rate facility | Note 15 | (1 869 291) | 1 869 291 | | 8 534 183 |
| - Other | Note 16 | | 857 136 | | 312 800 |
| Total income | | 406 516 709 | 69 923 069 | 270 648 939 | 326 162 620 |
| EXPENDITURE: | | | | | |
| International health programme | Notes 17-20 | 578 090 685 | 67 643 780 | 291 279 881 | 131 306 696 |
| Other purposes | Note 21 | | 20 793 822 | | 136 736 352 |
| Total expenditure | | 578 090 685 | 88 437 602 | 291 279 881 | 268 043 048 |
| EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE | | | | | |
| | | (171 573 976) | (18 514 533) | (20 630 942) | 58 119 572 |
| Provision for delays in the collection of assessed contributions | | | | | |
| | Schedule 1 Note 28 | (92 373 784) | | | |
| Refund of advances to the Working Capital Fund | | | | | |
| - (Resolution WHA 48.21) | Schedule 2 | | | | |
| Payment of assessed contributions of prior years | Schedule 3;Note 29 | 84 824 482 | 1 257 878 | | |
| Savings on unliquidated obligations | Schedule 3;Note 30 | | 12 955 406 | | 1 650 396 |
| Transfers between funds | Annex 1; Note 31 | 31 773 760 | (31 773 760) | 350 000 | (350 000) |
| TOTAL CHANGES IN FUND BALANCES | Statement III | (147 349 518) | (36 075 009) | (20 280 942) | 59 419 968 |
| FUND BALANCES - 1 JANUARY 1998 | Statement II | (92 946 123) | 198 919 893 | 186 542 556 | 262 499 655 |
| FUND BALANCES - 31 DECEMBER 1998 | Statement II | (240 295 641) | 162 844 884 | 166 261 614 | 321 919 623 |

| Equity in Capital Assets (Statements II, III) | Sub-Totals | Eliminations (Statement I, Annex 2; notes 32-33) | Totals 1998 | Totals 1996-1997 | |
|---|---------------|--|----------------------|---------------------|---|
| | | | | | INCOME: |
| | | | | | Assessed contributions: |
| | | | | | - For the effective working budget (1998) |
| | 418 751 000 | | 418 751 000 | 838 552 000 | |
| | | | | 176 358 | - New and formerly inactive Members |
| | 418 751 000 | | 418 751 000 | 838 728 358 | Total assessed contributions |
| | | | | | Voluntary contributions: |
| | 360 263 369 | (8 798 830) | 351 464 539 | 581 524 374 | - WHO programme activities |
| | 169 445 980 | | 169 445 980 | 299 148 177 | - Non-WHO programme activities |
| | | | | | Other income: |
| | 4 922 938 | | 4 922 938 | 10 031 618 | - Revenue-producing activities |
| | 41 682 961 | | 41 682 961 | 68 390 422 | - Funds under inter-organization arrangements |
| | | | | 59 576 | - Allocations from other funds |
| | 40 372 092 | (31 201 568) | 9 170 524 | 19 536 859 | - Income from services rendered |
| | 28 108 878 | | 28 108 878 | 64 631 450 | - Interest income : received and apportioned |
| | 8 534 183 | | 8 534 183 | 6 329 233 | accrued and unapportioned |
| | | | | | - Exchange rate facility |
| | 1 169 936 | | 1 169 936 | 2 289 106 | - Other |
| | 1 073 251 337 | (40 000 398) | 1 033 250 939 | 1 890 669 173 | Total income |
| | | | | | EXPENDITURE: |
| | 1 068 321 042 | (40 000 398) | 1 028 320 644 | 1 470 601 014 | International health programme |
| | 157 530 174 | | 157 530 174 | 315 158 405 | Other purposes |
| | 1 225 851 216 | (40 000 398) | 1 185 850 818 | 1 785 759 419 | Total expenditure |
| | | | | | EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE |
| | (152 599 879) | | (152 599 879) | 104 909 754 | |
| | | | | | Provision for delays in the collection of assessed contributions |
| | (92 373 784) | | (92 373 784) | (126 028 910) | Refund of advances to the Working Capital Fund |
| | | | | (5 139 390) | - (Resolution WHA 48.21) |
| | 86 082 360 | | 86 082 360 | 189 141 425 | Payment of assessed contributions of prior years |
| | 14 605 802 | | 14 605 802 | 19 728 996 | Savings on unliquidated obligations |
| | | | | | Transfers between funds |
| | (144 285 501) | | (144 285 501) | 182 611 875 | TOTAL CHANGES IN FUND BALANCES |
| | 55 169 240 | 610 185 221 | 610 185 221 | 427 573 346 | FUND BALANCES - 1 JANUARY 1998 |
| | 55 169 240 | 465 899 720 | 465 899 720 | 610 185 221 | FUND BALANCES - 31 DECEMBER 1998 |

Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Other WHO Funds
Unaudited Interim Financial Report for the year 1998
(expressed in US dollars)

| | Reference | Casual Income Revenues (Schedule 3) | Appropriated for Priority Programmes | Holding Account | Real Estate Fund (Schedule 5) | Revolving Fund for Teaching and Laboratory Equipment | Revolving Sales Fund |
|--|------------------------|---|--|--------------------|-------------------------------------|--|-------------------------|
| INCOME: | | | | | | | |
| Assessed contributions: | | | | | | | |
| - For the effective working budget (1998) | Note 2 | | | | | | |
| - New and formerly inactive Members | Note 3 | | | | | | |
| <hr/> | | | | | | | |
| Total assessed contributions | | | | | | | |
| Voluntary contributions: | | | | | | | |
| - WHO programme activities | | | | | | | |
| - Non-WHO programme activities | | | | | | | |
| Other income: | | | | | | | |
| - Revenue-producing activities | Note 7 | | | | 118 348 | | 4 343 601 |
| - Funds under inter-organization arrangements | | | | | | | |
| - Allocations from other funds | Note 9 | (10 000 000) | 10 000 000 | | | | |
| - Income from services rendered | Notes 10,11 | | | | | | |
| - Interest income | Notes 12,13 | 1 663 927 | | | 622 110 | | |
| - Exchange rate facility | Note 15 | 1 869 291 | | | | | |
| - Other | Note 16 | 857 136 | | | | | |
| <hr/> | | | | | | | |
| Total income | | (5 609 646) | 10 000 000 | | 740 458 | | 4 343 601 |
| <hr/> | | | | | | | |
| EXPENDITURE: | | | | | | | |
| International health programme | Notes 17-20 | | 10 150 344 | | | | 562 969 |
| Other purposes | Notes 2,18,19 | | | | 10 136 752 | | |
| <hr/> | | | | | | | |
| Total expenditure | | | 10 150 344 | | 10 136 752 | | 562 969 |
| <hr/> | | | | | | | |
| EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE | | | | | | | |
| | | (5 609 646) | (150 344) | | (9 396 294) | | 3 780 632 |
| <hr/> | | | | | | | |
| Provision for delays in the collection of assessed contributions | | | | | | | |
| Payment of assessed contributions of prior years | Schedule 3; Note 29 | | 1 257 878 | | | | |
| Savings on unliquidated obligations | Note 30 | | 12 955 406 | | | | |
| Transfers between funds | Annex 1; Note 31 | (15 431 128) | | (15 517 000) | | | (3 780 632) |
| <hr/> | | | | | | | |
| TOTAL CHANGES IN FUND BALANCES | Statement I | (6 827 490) | (150 344) | (15 517 000) | (9 396 294) | | |
| <hr/> | | | | | | | |
| FUND BALANCES - 1 JANUARY 1998 | Statement II | 30 148 404 | 6 221 897 | 15 517 000 | 13 184 075 | 400 000 | 500 000 |
| <hr/> | | | | | | | |
| FUND BALANCES - 31 DECEMBER 1998 | Statement II | 23 320 914 | 6 071 553 | - | 3 787 781 | 400 000 | 500 000 |

| Special Account for Concessions at Headquarters | Special Account for the WHO Renewal Fund (Schedule 6) | Special Account for Servicing Costs (Schedule 4) | Tax Equalization Fund | Terminal Payments Account | Totals 1998 | Totals 1996-1997 | |
|---|---|--|-----------------------|---------------------------|--------------|------------------|--|
| | | | | | | | INCOME: |
| | | | 10 365 000 | | 10 365 000 | 10 445 000 | Assessed contributions: |
| | | | | | | 176 358 | - For the effective working budget (1998) |
| | | | | | | | - New and formerly inactive Members |
| | | | 10 365 000 | | 10 365 000 | 10 621 358 | Total assessed contributions |
| | 2 728 885 | | | | 2 728 885 | | Voluntary contributions: |
| | | | | | | | - WHO programme activities |
| | | | | | | | - Non-WHO programme activities |
| 375 535 | | | | | 4 837 484 | 9 930 063 | Other income: |
| | | | | | | (14 547 000) | - Revenue-producing activities |
| | | | | | | | - Funds under inter-organization arrangements |
| | | 31 201 568 | | 9 170 524 | 40 372 092 | 74 328 414 | - Allocations from other funds |
| 135 550 | 11 920 | 4 225 680 | | 2 233 994 | 8 893 181 | 19 786 619 | - Income from services rendered |
| | | | | | 1 869 291 | 23 266 100 | - Interest income |
| | | | | | 857 136 | 2 390 572 | - Exchange rate facility |
| | | | | | | | - Other |
| 511 085 | 2 740 805 | 35 427 248 | 10 365 000 | 11 404 518 | 69 923 069 | 125 776 126 | Total income |
| | | | | | | | EXPENDITURE: |
| | 253 811 | 56 676 656 | | | 67 643 780 | 58 841 208 | International health programme |
| 403 127 | | | 2 687 030 | 7 566 913 | 20 793 822 | 37 692 925 | Other purposes |
| 403 127 | 253 811 | 56 676 656 | 2 687 030 | 7 566 913 | 88 437 602 | 96 534 133 | Total expenditure |
| 107 958 | 2 486 994 | (21 249 408) | 7 677 970 | 3 837 605 | (18 514 533) | 29 241 993 | EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE |
| | | | | | | | Provision for delays in the collection of assessed contributions |
| | | | | | 1 257 878 | 6 222 171 | Payment of assessed contributions of prior years |
| | | | | | 12 955 406 | 15 702 049 | Savings on unliquidated obligations |
| | | 2 955 000 | | | (31 773 760) | (5 100 000) | Transfers between funds |
| 107 958 | 2 486 994 | (18 294 408) | 7 677 970 | 3 837 605 | (36 075 009) | 46 066 213 | TOTAL CHANGES IN FUND BALANCES |
| 2 780 373 | | 89 446 873 | 1 217 210 | 39 504 061 | 198 919 893 | 152 853 680 | FUND BALANCES - 1 JANUARY 1998 |
| 2 888 331 | 2 486 994 | 71 152 465 | 8 895 180 | 43 341 666 | 162 844 884 | 198 919 893 | FUND BALANCES - 31 DECEMBER 1998 |

Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Trust Funds - Inter-organization arrangements
Unaudited Interim Financial Report for the year 1998
(expressed in US dollars)

| | | Technical Cooperation | | |
|--|--------------|--------------------------------|--------------------------|--------------------------------|
| | Reference | UN Development Programme | UN Population Fund | UN Environment Programme |
| INCOME: | | | | |
| Assessed contributions: | | | | |
| - For the effective working budget (1998) | | | | |
| - New and formerly inactive Members | | | | |
| Total assessed contributions | | | | |
| Voluntary contributions: | | | | |
| - WHO programme activities | | | | |
| - Non-WHO programme activities | | | | |
| Other income: | | | | |
| - Revenue-producing activities | | | | |
| - Funds under inter-organization arrangements | Note 8 | 11 345 448 | 11 600 000 | 361 000 |
| - Allocations from other funds | | | | |
| - Income from services rendered | | | | |
| - Interest income | Note 12 | | | |
| - Exchange rate facility | | | | |
| - Other | | (88 885) | (73 744) | |
| Total income | | 11 256 563 | 11 526 256 | 361 000 |
| EXPENDITURE: | | | | |
| International health programme | Notes 17-20 | 10 075 057 | 11 671 226 | 220 986 |
| Other purposes | | | | |
| Total expenditure | | 10 075 057 | 11 671 226 | 220 986 |
| EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE | | | | |
| | | | | |
| Provision for delays in the collection of assessed contributions | | | | |
| Payment of assessed contributions of prior years | | | | |
| Savings on unliquidated obligations | Note 30 | 82 985 | 203 271 | 2 331 |
| Transfers between funds | | | | |
| TOTAL CHANGES IN FUND BALANCES | Statement I | 1 264 491 | 58 301 | 142 345 |
| FUND BALANCES - 1 JANUARY 1998 | Statement II | (2 118 330) | (1 440 506) | (110 579) |
| FUND BALANCES - 31 DECEMBER 1998 | Statement II | (853 839) | (1 382 205) | 31 766 |

| Technical Cooperation | | Supply Services | | Totals | | |
|---------------------------------|-------------------|---------------------------|--------------------|---|--|---|
| UN Drug Control Programme | Other UN Funds | Other UN Organizations | 1998 | Inter-organization arrangements 1996-1997 | | |
| 235 150 | 2 011 117 | 16 130 246 | 41 682 961 | 68 390 422 | | INCOME: |
| | | | | | | Assessed contributions: |
| | | | | | | - For the effective working budget (1998) |
| | | | | | | - New and formerly inactive Members |
| | | | | | | Total assessed contributions |
| | | | | | | Voluntary contributions: |
| | | | | | | - WHO programme activities |
| | | | | | | - Non-WHO programme activities |
| | | | | | | Other income: |
| | | | | | | - Revenue-producing activities |
| | | | | | | - Funds under inter-organization arrangements |
| | | | | | | - Allocations from other funds |
| | | | | | | - Income from services rendered |
| | | | | | | - Interest income |
| | | | | | | - Exchange rate facility |
| | | | | | | - Other |
| | 4 020 | | 4 020 | 37 180 | | |
| | | | (162 629) | | | |
| 235 150 | 2 015 137 | 16 130 246 | 41 524 352 | 68 427 602 | | Total income |
| 362 225 | 2 300 331 | 13 018 221 | 37 648 046 | 69 057 252 | | EXPENDITURE: |
| | | | | | | International health programme |
| | | | | | | Other purposes |
| 362 225 | 2 300 331 | 13 018 221 | 37 648 046 | 69 057 252 | | Total expenditure |
| (127 075) | (285 194) | 3 112 025 | 3 876 306 | (629 650) | | EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE |
| | | | | | | Provision for delays in the collection of assessed contributions |
| | | | | | | Payment of assessed contributions of prior years |
| 235 | | | 288 822 | 718 805 | | Savings on unliquidated obligations |
| | | | | | | Transfers between funds |
| (126 840) | (285 194) | 3 112 025 | 4 165 128 | 89 155 | | TOTAL CHANGES IN FUND BALANCES |
| 69 671 | 867 181 | (888 393) | (3 620 956) | (3 710 111) | | FUND BALANCES - 1 JANUARY 1998 |
| (57 169) | 581 987 | 2 223 632 | 544 172 | (3 620 956) | | FUND BALANCES - 31 DECEMBER 1998 |

Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Trust Funds - WHO programme activities
Unaudited Interim Financial Report for the year 1998
(expressed in US dollars)

| | | Technical Cooperation | | | | |
|--|---------------------|--------------------------------|--|---|----------------------------------|---|
| | Reference | Global Programme on AIDS | Onchocerciasis Control Programme | African Programme for Onchocerciasis Control | Sasakawa Health Trust Fund | Trust Fund for the Special Programme for Research and Training in Tropical Diseases |
| INCOME: | | | | | | |
| Assessed contributions: | | | | | | |
| - For the effective working budget (1998) | | | | | | |
| - New and formerly inactive Members | | | | | | |
| Total assessed contributions | | | | | | |
| Voluntary contributions: | | | | | | |
| - WHO programme activities | Notes 4,5 | | 14 690 949 | 8 520 114 | 4 000 000 | 40 307 004 |
| - Non-WHO programme activities | | | | | | |
| Other income: | | | | | | |
| - Revenue-producing activities | | | 85 454 | | | |
| - Funds under inter-organization arrangements | | | | | | |
| - Allocations from other funds | | | | | | |
| - Income from services rendered | | | | | | |
| - Interest income | Notes 12,13 | 500 330 | 1 950 | 257 330 | 519 180 | 825 530 |
| - Exchange rate facility | | | | | | |
| - Other | | | | | | |
| <hr/> | | | | | | |
| Total income | | 500 330 | 14 778 353 | 8 777 444 | 4 519 180 | 41 132 534 |
| <hr/> | | | | | | |
| EXPENDITURE: | | | | | | |
| International health programme | Notes 17-20 | 4 804 823 | 17 206 221 | 9 362 026 | 6 633 751 | 30 171 141 |
| Other purposes | | | | | | |
| <hr/> | | | | | | |
| Total expenditure | | 4 804 823 | 17 206 221 | 9 362 026 | 6 633 751 | 30 171 141 |
| <hr/> | | | | | | |
| EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE | | | | | | |
| | | (4 304 493) | (2 427 868) | (584 582) | (2 114 571) | 10 961 393 |
| <hr/> | | | | | | |
| Provision for delays in the collection of assessed contributions | | | | | | |
| Payment of assessed contributions of prior years | | | | | | |
| Savings on unliquidated obligations | Note 30 | | 688 935 | 25 353 | 138 507 | 508 779 |
| Transfers between funds | Annex 1; Note 31 | | | | (500 000) | 150 000 |
| <hr/> | | | | | | |
| TOTAL CHANGES IN FUND BALANCES | Statement I | (4 304 493) | (1 738 933) | (559 229) | (2 476 064) | 11 620 172 |
| FUND BALANCES - 1 JANUARY 1998 | Statement II | 12 885 937 | (2 647 115) | 138 046 | 9 804 189 | (124 587) |
| FUND BALANCES - 31 DECEMBER 1998 | Statement II | 8 581 444 | (4 386 048) | (421 183) | 7 328 125 | 11 495 585 |

| Technical Cooperation | | Supply Services | | | |
|---------------------------------------|---|---|--|--------------|---|
| Associate Professional Officers | Other Technical Cooperation funds | National health services and institutions | Totals | | |
| | | | Technical Cooperation and Supply Services 1998 | 1996-1997 | |
| | | | | | INCOME: |
| | | | | | Assessed contributions: |
| | | | | | - For the effective working budget (1998) |
| | | | | | - New and formerly inactive Members |
| | | | | | Total assessed contributions |
| | | | | | Voluntary contributions: |
| 4 966 669 | 21 512 124 | 3 799 285 | 97 796 145 | 166 197 307 | - WHO programme activities |
| | | | | | - Non-WHO programme activities |
| | | | | | Other income: |
| | | | 85 454 | 101 555 | - Revenue-producing activities |
| | | | | | - Funds under inter-organization arrangements |
| | | | | 59 576 | - Allocations from other funds |
| | | | | | - Income from services rendered |
| 67 000 | 95 118 | | 2 266 438 | 5 524 690 | - Interest income |
| | | | | | - Exchange rate facility |
| | | | | | - Other |
| | | | - | | |
| 5 033 669 | 21 607 242 | 3 799 285 | 100 148 037 | 171 883 128 | Total income |
| | | | | | EXPENDITURE: |
| 6 568 668 | 14 801 264 | 4 110 756 | 93 658 650 | 177 517 541 | International health programme |
| | | | | | Other purposes |
| 6 568 668 | 14 801 264 | 4 110 756 | 93 658 650 | 177 517 541 | Total expenditure |
| (1 534 999) | 6 805 978 | (311 471) | 6 489 387 | (5 634 413) | EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE |
| | | | | | Provision for delays in the collection of assessed contributions |
| | | | 1 361 574 | 3 308 142 | Payment of assessed contributions of prior years |
| | | | (350 000) | (39 594 334) | Savings on unliquidated obligations |
| | | | | | Transfers between funds |
| (1 534 999) | 6 805 978 | (311 471) | 7 500 961 | (41 920 605) | TOTAL CHANGES IN FUND BALANCES |
| 2 176 531 | 13 642 553 | 3 283 881 | 39 159 435 | 81 080 040 | FUND BALANCES - 1 JANUARY 1998 |
| 641 532 | 20 448 531 | 2 972 410 | 46 660 396 | 39 159 435 | FUND BALANCES - 31 DECEMBER 1998 |

Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Other Trust Funds and Associated Entities
Unaudited Interim Financial Report for the year 1998
(expressed in US dollars)

| Reference | Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS) (Notes 21,22) | International Agency for Research on Cancer (Notes 21,22) | International Computing Centre (Notes 21,22) | Staff Health Insurance (Notes 21,23) |
|--|---|---|---|--|
| INCOME: | | | | |
| Assessed contributions: | | | | |
| | | | | |
| - For the effective working budget (1998) | | | | |
| - New and formerly inactive Members | | | | |
| Total assessed contributions | | | | |
| Voluntary contributions: | | | | |
| - WHO programme activities | | | | |
| - Non-WHO programme activities | Notes 21-27 | 83 061 440 | 25 328 015 | 20 539 763 |
| | | | | 33 469 439 |
| Other income: | | | | |
| - Revenue-producing activities | | | | |
| - Funds under inter-organization arrangements | | | | |
| - Allocations from other funds | | | | |
| - Income from services rendered | | | | |
| - Interest income : Received and apportioned | Notes 12,13 | 3 926 190 | | 8 197 003 |
| Accrued and unapportioned | Note 14 | | | |
| - Exchange rate facility | | | | |
| - Other | | 906 456 | | (432 383) |
| <hr/> | | | | |
| Total income | | 87 894 086 | 25 328 015 | 20 539 763 |
| | | | | 41 234 059 |
| <hr/> | | | | |
| EXPENDITURE: | | | | |
| International health programme | | | | |
| Other purposes | Notes 21, 23-27 | 55 211 184 | 24 053 444 | 27 121 568 |
| | | | | 23 266 720 |
| <hr/> | | | | |
| Total expenditure | | 55 211 184 | 24 053 444 | 27 121 568 |
| | | | | 23 266 720 |
| <hr/> | | | | |
| EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE | | | | |
| | | 32 682 902 | 1 274 571 | (6 581 805) |
| | | | | 17 967 339 |
| <hr/> | | | | |
| Provision for delays in the collection of assessed contributions | | | | |
| Payment of assessed contributions of prior years | | | | |
| Savings on unliquidated obligations | | | | |
| Transfers between funds | Annex 1; Note 31 | | | |
| <hr/> | | | | |
| TOTAL CHANGES IN FUND BALANCES | Statement I | 32 682 902 | 1 274 571 | (6 581 805) |
| | | | | 17 967 339 |
| FUND BALANCES - 1 JANUARY 1998 | Statement II | 48 375 331 | 12 023 178 | (774 474) |
| | | | | 155 118 463 |
| FUND BALANCES - 31 DECEMBER 1998 | Statement II | 81 058 233 | 13 297 749 | (7 356 279) |
| | | | | 173 085 802 |

| Other funds (Notes 24-26) | Foundations (Notes 21,27) | Interest Accrued- Unapportioned (Note 14) | Totals Trust Funds Non-WHO programme activities 1998 | 1996-1997 | |
|------------------------------|------------------------------|--|--|--------------------|--|
| | | | | | INCOME: |
| | | | | | Assessed contributions: |
| | | | | | - For the effective working budget (1998) |
| | | | | | - New and formerly inactive Members |
| | | | | | Total assessed contributions |
| | | | | | Voluntary contributions: |
| | | | | | - WHO programme activities |
| 7 047 323 | | | 169 445 980 | 299 148 177 | - Non-WHO programme activities |
| | | | | | Other income: |
| | | | | | - Revenue-producing activities |
| | | | | | - Funds under inter-organization arrangements |
| | | | | | - Allocations from other funds |
| | | | | | - Income from services rendered |
| 133 370 | 107 309 | (6 329 233) | 6 034 639 | 19 254 811 | - Interest income : Received and apportioned |
| | | 8 534 183 | 8 534 183 | 6 329 233 | Accrued and unapportioned |
| | | | | | - Exchange rate facility |
| | 1 356 | | 475 429 | 3 124 | - Other |
| 7 180 693 | 108 665 | 2 204 950 | 184 490 231 | 324 735 345 | Total income |
| | | | | | EXPENDITURE: |
| | | | | | International health programme |
| | | | | | Other purposes |
| 7 031 369 | 52 067 | | 136 736 352 | 277 517 775 | |
| 7 031 369 | 52 067 | | 136 736 352 | 277 517 775 | Total expenditure |
| 149 324 | 56 598 | 2 204 950 | 47 753 879 | 47 217 570 | EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE |
| | | | | | Provision for delays in the collection of assessed contributions |
| | | | | | Payment of assessed contributions of prior years |
| | | | | | Savings on unliquidated obligations |
| | | | | | Transfers between funds |
| | | | | 36 970 199 | |
| 149 324 | 56 598 | 2 204 950 | 47 753 879 | 84 187 769 | TOTAL CHANGES IN FUND BALANCES |
| 4 060 175 | 1 829 270 | 6 329 233 | 226 961 176 | 142 773 407 | FUND BALANCES - 1 JANUARY 1998 |
| 4 209 499 | 1 885 868 | 8 534 183 | 274 715 055 | 226 961 176 | FUND BALANCES - 31 DECEMBER 1998 |

TRANSFERS BETWEEN FUNDS (NOTE 31)
Inter-fund transfers, as detailed in the following table, were made during 1998
between Regular Budget, other WHO funds and various programmes
(expressed in US dollars)

| | Reference | Regular Budget | Casual Income | Holding Account | Revolving Sales Fund | Special Account for Servicing Costs |
|--|------------|---------------------|-------------------|--------------------|-------------------------|--|
| Appropriated for the Effective Working Budget, 1998-1999 (Resolution WHA 50.25) | Schedule 3 | (31 773 760) | 16 256 760 | 15 517 000 | | |
| To cover costs of production and sales promotion of WHO publications, 1999 | Schedule 4 | | | | 2 955 000 | (2 955 000) |
| Surplus funds, 1998 to casual income | Schedule 3 | | (825 632) | | 825 632 | |
| Other programme transfers | | | | | | |
| Total | | (31 773 760) | 15 431 128 | 15 517 000 | 3 780 632 | (2 955 000) |

| Voluntary Fund for Health Promotion | Special Programme for Research and Training in Tropical Diseases | Sasakawa Health Trust Fund |
|--|--|----------------------------------|
|--|--|----------------------------------|

Appropriated for the Effective Working Budget,
1998-1999 (Resolution WHA 50.25)

To cover costs of production and sales
promotion of WHO publications, 1999

Surplus funds, 1998 to casual income

| | | | |
|-----------|-----------|---------|---------------------------|
| (350 000) | (150 000) | 500 000 | Other programme transfers |
|-----------|-----------|---------|---------------------------|

| | | | |
|-----------|-----------|---------|-------|
| (350 000) | (150 000) | 500 000 | Total |
|-----------|-----------|---------|-------|

ELIMINATIONS (Notes 32-33)
(expressed in US dollars)

1. The following transfers were made between Technical Cooperation funds during 1998, being recorded as expenditure under the International health programme against the funds from which the transfers originated and as income in the receiving funds concerned.

| Originating Fund | Receiving Fund | |
|---|--|------------------|
| <i>Regular Budget</i> | - Trust Fund for the Special Programme for Research and Training in Tropical Diseases | 1 132 300 |
| | - Onchocerciasis Control Programme | 250 000 |
| | - African Programme for Onchocerciasis Control | 50 000 |
| <i>United Nations Development Programme</i> | - Voluntary Fund for Health Promotion | 475 000 |
| | - Trust Fund for the Special Programme for Research and Training in Tropical Diseases | 1 000 000 |
| | - Onchocerciasis Control Programme | 2 791 530 |
| <i>United Nations Population Fund</i> | - Voluntary Fund for Health Promotion | 3 000 000 |
| <i>Sasakawa Trust Fund</i> | - Trust Fund for the Special Programme for Research and Training in Tropical Diseases | 100 000 |
| | | <u>8 798 830</u> |

These transfers are reflected in the Eliminations column in Statement I as a reduction against income under voluntary contributions for WHO programme activities with a corresponding reduction against expenditure under the International health programme.

2. In addition to these transfers, eliminations have been made between income and expenditure respectively, for the following fund items.

| Income Eliminations | | Expenditure Eliminations | |
|---------------------------------------|-------------------|--|-------------------|
| <i>Income from services rendered:</i> | | <i>International health programme:</i> | |
| - Programme support costs received | 31 201 568 | - Programme support costs charged against extra-budgetary funded activities | 31 201 568 |
| | <u>31 201 568</u> | | <u>31 201 568</u> |

UNAUDITED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
AS AT 31 DECEMBER 1998
(expressed in US dollars)

| | <i>Reference</i> | <i>1998</i> | 1997 |
|--|------------------|--------------------|-------------------------------|
| ASSETS | | | |
| Cash | | | |
| At banks, in transit and in hand | Note 34 | 80 387 935 | 35 627 034 |
| Deposits and securities | Schedule 7 | 802 852 847 | 738 385 743 |
| Accounts receivable | | | |
| | | 1998 | Prior financial periods |
| Members' outstanding assessed contributions | Schedule 1 | 92 373 784 | 93 593 834 |
| Less: Provision for delays in the collection of assessed contributions | Statement I | <u>92 373 784</u> | <u>93 593 834</u> |
| | | - | - |
| Sundry debtors | Note 36 | 34 502 064 | 31 764 145 |
| Prepaid expenses | Note 37 | 26 437 | 528 067 |
| Interest accrued and unapportioned | Note 14 | 8 534 183 | 6 329 233 |
| Capital assets (Real property) | Note 39 | | |
| Land and buildings: | | | |
| Headquarters | | 41 597 370 | 41 597 370 |
| Africa | | 8 261 740 | 8 261 740 |
| South-East Asia | | 1 487 947 | 1 487 947 |
| Eastern Mediterranean | | 365 425 | 365 425 |
| Western Pacific | | 3 456 758 | 3 456 758 |
| | | <u>55 169 240</u> | <u>55 169 240</u> |
| TOTAL ASSETS | | 981 472 706 | 867 803 462 |
| LIABILITIES AND FUND BALANCES | | | |
| Members' contributions received in advance | Note 40 | 19 199 628 | 20 851 491 |
| Unliquidated obligations | Note 41 | | |
| WHO Programme Activities: | | | |
| Regular budget - Current financial period | | 255 303 265 | 83 147 148 |
| - Prior financial period | | 8 256 630 | - |
| Other WHO funds | | 45 387 110 | 11 421 165 |
| Voluntary Fund for Health Promotion | | 88 045 959 | 52 655 872 |
| Inter-organization arrangements | | 6 312 469 | 6 777 611 |
| Trust funds | | 35 014 792 | 30 514 524 |
| | | <u>438 320 225</u> | <u>184 516 320</u> |
| Non-WHO Programme Activities: | | | |
| Trust Fund for the Joint United Nations Programme on HIV/AIDS | | 24 367 438 | 33 612 529 |
| International Computing Centre (ICC) | | 9 507 718 | 1 607 587 |
| | | <u>472 195 381</u> | <u>219 736 436</u> |
| Accounts payable | Note 42 | 24 177 977 | 17 030 314 |
| TOTAL LIABILITIES | | 515 572 986 | 257 618 241 |

| FUND BALANCES | Reference | 1998 | 1997 |
|---|---------------------------|----------------------|--------------|
| Trust funds | | | |
| Technical cooperation and supply services funds | Statement I.2; I.3 | 47 204 568 | 35 538 479 |
| Trust Fund for the Joint United Nations Programme on HIV/AIDS | Statement I.4; Note 43 | 81 058 233 | 48 375 331 |
| International Computing Centre (ICC) | | (7 356 279) | (774 474) |
| Foundations and other trust funds | Statement I.4; | 192 478 918 | 173 031 086 |
| Interest accrued and unapportioned | Statement I.4; | 8 534 183 | 6 329 233 |
| | | 321 919 623 | 262 499 655 |
| Voluntary Fund for Health Promotion | Statement I | 166 261 614 | 186 542 556 |
| Regular Budget and Working Capital Fund | | | |
| Advances secured against other WHO funds | Schedule 2 | (8 121 641) | (92 946 123) |
| Regular Budget | | (232 174 000) | |
| | Statement I | (240 295 641) | (92 946 123) |
| Other WHO funds | | | |
| Casual Income Account | Statement I.1; Schedule 3 | 29 392 467 | 36 370 301 |
| Executive Board Special Fund | Note 46 | | |
| Holding Account | Note 47 | | 15 517 000 |
| Real Estate Fund | Schedule 5 | 3 787 781 | 13 184 075 |
| Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training | Statement I.1 | 400 000 | 400 000 |
| Revolving Sales Fund | Note 48 | 500 000 | 500 000 |
| Special Account for Operation of Concessions at Headquarters | Note 49 | 2 888 331 | 2 780 373 |
| Special Account for the WHO Renewal Fund | Schedule 6 | 2 486 994 | |
| Special Account for Servicing Costs | Schedule 4 | 71 152 465 | 89 446 873 |
| Tax Equalization Fund | Note 2 | 8 895 180 | 1 217 210 |
| Terminal Payments Account | Statement I.1 | 43 341 666 | 39 504 061 |
| | | 162 844 884 | 198 919 893 |
| Members' equity in capital assets (Real property) | Note 50 | 55 169 240 | 55 169 240 |
| TOTAL FUND BALANCES | | 465 899 720 | 610 185 221 |
| TOTAL LIABILITIES AND FUND BALANCES | | 981 472 706 | 867 803 462 |

Unaudited Statement of Cash Flow
for the year 1998
(expressed in US dollars)

| | 1998 | 1996-1997 |
|---|---------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Total changes in fund balances (Statement I) | (144 285 501) | 182 611 875 |
| (Increase) decrease in accounts receivable - sundry debtors | (2 737 919) | 867 451 |
| (Increase) decrease in prepaid expenses | 501 630 | (1 376) |
| (Increase) decrease in interest accrued and unapportioned | (2 204 950) | (6 329 233) |
| Increase (decrease) in contributions received in advance | (1 651 863) | (5 400 227) |
| Increase (decrease) in unliquidated obligations | 252 458 945 | 101 995 275 |
| Increase (decrease) in accounts payable | 7 147 663 | (5 934 253) |
| Less: Interest income | (34 438 111) | (64 631 450) |
| Savings on liquidation of prior periods' obligations | (14 605 802) | (19 728 996) |
| Net cash from operating activities | <u>60 184 092</u> | <u>183 449 066</u> |
| CASH FLOWS FROM INVESTING AND FINANCIAL ACTIVITIES: | | |
| (Increase) decrease in investments | (64 467 104) | (250 727 802) |
| Plus: Interest income | 34 438 111 | 64 631 450 |
| Net cash from investing and financial activities | <u>(30 028 993)</u> | <u>(186 096 352)</u> |
| CASH FLOWS FROM OTHER SOURCES: | | |
| (Increase) decrease in land and buildings | | 52 295 |
| Savings on liquidation of prior periods' obligations | 14 605 802 | 19 728 996 |
| Net cash from other sources | <u>14 605 802</u> | <u>19 781 291</u> |
| NET INCREASE IN CASH | <u>44 760 901</u> | <u>17 134 005</u> |
| CASH AT 1 JANUARY 1998 AND 1996 | <u>35 627 034</u> | <u>18 493 029</u> |
| CASH AT 31 DECEMBER 1998 AND 1997 | <u><u>80 387 935</u></u> | <u><u>35 627 034</u></u> |

STATEMENT OF APPROPRIATIONS FOR THE FINANCIAL PERIOD 1998-1999
UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR 1998
(expressed in US dollars)

| Appropriation section | Amounts approved by resolution WHA50.25 | Transfers between sections made by the Director-General | Transfers between sections as % of approved appropriations | Exchange rate facility: net transfers to casual income ^a |
|---|---|---|--|---|
| (1) | (2) | (3) | (4) | (5) |
| 1. Governing bodies | 19 281 800 | (53 100) | (0.28) | 21 128 |
| 2. Health policy and management | 255 618 000 | 662 300 | 0.26 | (550 275) |
| 3. Health services development . | 170 423 800 | (1 597 300) | (0.94) | (169 737) |
| 4. Promotion and protection of health | 133 492 100 | (2 514 900) | (1.88) | (57 401) |
| 5. Integrated control of disease | 135 144 400 | 3 661 900 | 2.71 | (19 991) |
| 6. Administrative services | 128 693 900 | (158 900) | (0.12) | (1 093 015) |
| EFFECTIVE WORKING BUDGET | 842 654 000 | 0 | | (1 869 291) |
| 7. Transfer to Tax Equalization Fund | 80 000 000 | | | |
| TOTAL | 922 654 000 | 0 | | (1 869 291) |

^a Effective appropriations for 1998-1999 (Column 6) take into account the net transfers during the first year of the biennium to the Casual Income Account required to cover the effects to 31 December 1998 of favourable United Nations/WHO accounting rates of exchange against the US dollar (column 5), in respect of the currencies of the countries of location of headquarters and the regional offices, in terms of the exchange rate facility under Article 4.6 of the Financial Regulations and as authorized under resolution WHA50.25. The operation of the facility during 1998 comprised transfers to casual income amounting to \$ 2 504 838 in respect of savings from more favourable rates of exchange, less transfers from casual income in respect of charges from an unfavourable rate of exchange for one currency totalling \$ 635 547, resulting in a net saving of \$ 1 869 291 during the year.

^b In accordance with established practice under the biennial programme budgeting and accounting procedures, regular budget obligations have been raised, where applicable, for the full biennium.

| Effective appropriations ^a | Obligations ^b | | | Balance available for obligations in 1999 ^d | Appropriation section |
|---------------------------------------|--------------------------|---------------------------|-------------------------|--|---------------------------------------|
| | Liquidated | Unliquidated ^c | Total | | |
| (6) | (7) | (8) | (9) | (10) | (1) |
| 19 249 828 | 7 625 556 | 4 610 580 | 12 236 136 | 7 013 692 | 1. Governing bodies |
| 255 730 025 | 107 441 009 | 86 421 437 | 193 862 446 | 61 867 579 | 2. Health policy and management |
| 168 656 763 | 54 874 759 | 44 074 704 | 98 949 463 | 69 707 300 | 3. Health services development |
| 130 919 799 | 45 615 611 | 36 003 847 | 81 619 458 | 49 300 341 | 4. Promotion and protection of health |
| 138 786 309 | 52 803 795 | 36 714 384 | 89 518 179 ^e | 49 268 130 | 5. Integrated control of disease |
| 127 441 985 | 54 426 690 | 47 478 313 | 101 905 003 | 25 536 982 | 6. Administrative services |
| 840 784 709 | 322 787 420 | 255 303 265 | 578 090 685 | 262 694 024 | EFFECTIVE WORKING BUDGET |
| 80 000 000 | 80 000 000 | | 80 000 000 | | 7. Transfer to Tax Equalization Fund |
| 920 784 709 | 402 787 420 | 255 303 265 | 658 090 685 | 262 694 024 | TOTAL |

^c Obligations incurred at 31 December 1998 but not yet paid at that date in respect of salaries and allowances, fellowships, travel costs, procurement of supplies and equipment, printing, etc., including unliquidated obligations relating to staff salaries and allowances for the year 1999 amounting to some \$ 170.8 million.

^d Balance available to meet the costs of new obligations to be incurred in 1999 which will be obligated as and when the actual contracts, travel authorizations and purchase or printing orders, etc., are issued.

^e Including contributions from the regular budget to the Trust Fund for the Special Programme for Research and Training in Tropical Diseases of \$ 1 132 300, the Onchocerciasis Control Programme of \$ 250 000 and the African Programme for Onchocerciasis Control of \$ 50 000 which have been transferred as at 31 December 1998.

NOTES TO THE ACCOUNTS

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN FUND BALANCES FOR THE YEAR 1998 (STATEMENT I)

INCOME

Assessed contributions (Statement I)

1. Income from assessed contributions of Members and Associate Members for 1998 is 50% of the effective working budget 1998-1999 and is recorded as due, i.e., on an accrual basis. Against such income, however, a provision is established for delays in collection of contributions amounting to 100% of the assessed contributions which remained outstanding at 31 December 1998 (Schedule 1).

2. In accordance with Health Assembly resolution WHA21.10 under which the Tax Equalization Fund was established, the assessed contributions of all Member States are reduced (credited) by the income generated by the staff assessment plan. For those Member States which levy income tax on the organizational income of their nationals who are WHO staff members, the credit received is reduced by the estimated income tax to be reimbursed by the Organization to the staff concerned. In determining the credits to be applied to the Member States concerned, the Tax Equalization Fund is credited with the revenue from the staff assessment (i.e., the deduction made from the gross salary of a staff member of an amount in lieu of income tax), the credits being recorded in the name of individual Member States in proportion to their assessments for the financial period concerned. In 1998-1999, income credited to the Tax Equalization Fund is derived as follows:

| | US\$ |
|--|-------------------|
| Staff Assessment (Appropriation Section 7 - see Statement IV) | 80 000 000 |
| <u>Less: Credits to Member States</u> | <u>69 635 000</u> |
| Statements I and I.1 | <u>10 365 000</u> |

3. Income from assessed contributions of new and formerly inactive Members is subject to Financial Regulations 5.2 (c), 5.10 and Financial Rule 103.6. Such income is recorded on a cash basis, i.e., as received, and is credited to casual income (Statements I, I.1, Schedule 1).

Voluntary Contributions (Statements I, I.1, I.3, I.4)

4. Voluntary contributions for WHO programme activities are recorded on a cash basis, i.e., as received. These include contributions received for the Voluntary Fund for Health Promotion, Special Account for the WHO Renewal Fund, the Onchocerciasis Control Programme, the African Programme for Onchocerciasis Control, the Trust Fund for the Special Programme for Research and Training in Tropical Diseases, the Associate Professional Officers Programme, other Trust Funds for technical cooperation, and Supply Services funds.

5. Contributions of goods or services in kind received by WHO are recorded as income in the Voluntary Fund for Health Promotion at the value stated by the donor and are charged as expenditure upon receipt of goods or services.

6. WHO administers other trust funds and entities which do not form part of WHO's programme activities; contributions for these trust funds and entities are also recorded on a cash basis. They include the trust fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), International Agency for Research on Cancer (IARC) and International Computing Centre (ICC), for each of which detailed financial reports are issued and audit certification is made to the governing body concerned. Also included under this classification are the trust fund for the WHO Staff Health Insurance, foundations and associated accounts under administration by the Organization (Note 21).

Other Income - WHO Funds

Revenue-producing activities (Statements I, I.1 and I.3)

7. Revenues comprise staff house rents and rental from WHO regional travel agents which are credited to the Real Estate Fund (Schedule 5); rentals from concessionaires at headquarters, credited to the Special Account for Operation of Concessions at headquarters; sale of WHO publications and other promotional material credited to the Revolving Sales Fund. Income is recorded on a cash basis.

Funds under inter-organization arrangements (Statements I and I.2)

8. These represent cash drawings from the United Nations Development Programme, the United Nations Population Fund and other United Nations specialized organizations and agencies, for the financing of activities funded by those agencies for which WHO is executing or associated agency. Also included in income from this source are the disbursements made by the United Nations Development Programme acting as paying agent for WHO in field locations (Statement I.2).

Allocations from other funds (Statements I and I.1)

9. These comprise the transfer through the Holding Account of funds authorized by the Health Assembly for the part-financing of the effective working budget, which occurs in the second year of a biennium.

Income from services rendered

10. This comprises (1) income from programme support costs levied against programme expenditure under extrabudgetary financed activities (Statement I.1, Schedule 4); and (2) credits to the Terminal Payments Account (Statement I.1).

11. Income earned during the financial period from programme support cost charges against expenditure financed from extrabudgetary resources is retained in the Special Account for Servicing Costs, for use in the succeeding financial period.

Interest income (Statements I, I.1, I.2, I.3, and I.4)

12. Interest received on funds invested under the WHO general investment plan is apportioned on a monthly basis among the funds and other accounts designated to participate in the distribution, in proportion to their capital at the end of each month for the calendar year concerned. Interest received on investments made for specified funds or other accounts is credited directly to the funds concerned as interest is received. These investments are excluded from the capital amount of the funds to which they relate in respect of the participation of those funds in the WHO general investment plan. Interest subject to apportionment among participating funds is adjusted by the exchange differential related to currency operations (see Statement of Accounting Policies).

13. 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.

14. Interest accrued on investments at the end of the financial period but which falls due on maturity at a later date is taken up in a single global amount as a receivable in the accounts. The corresponding credit is reflected in a separate trust fund for unapportioned interest. Apportionment among the funds and other accounts concerned takes place only upon receipt of the interest.

Exchange rate facility (Statements I, I.1 and IV, Schedule 3)

15. The use of the exchange rate facility in 1998, as authorized by the Health Assembly in resolution WHA50.25, amounted to transfers from the regular budget to casual income, totalling \$ 2 504 838, in respect of savings generated through the application of more favourable accounting rates of exchange than those set for the programme budget for the biennium, less transfers from casual income in respect of charges from an unfavourable rate of exchange for one currency totalling \$ 635 547, resulting in a net saving of \$ 1 869 291 during the year.

Other income - other (Statements I and I.1; Schedule 3)

16. This income consists of other casual income, as follows:

| | |
|---|----------------|
| Refunds and rebates | 233 064 |
| Exchange differential | 213 595 |
| Sale of equipment and material | 92 157 |
| Revenue from the Swiss Postal authorities | 450 |
| Underground parking operations | <u>317 870</u> |
| | <u>857 136</u> |

EXPENDITURE

17. Expenditure under all funds administered by WHO for technical assistance, supply services and other WHO programmes is recorded on an accrual basis. With the exception of activities financed under interagency arrangements, e.g., United Nations Development Programme, United Nations Population Fund and other United Nations organizations, for which WHO is executing agency, obligations are established in accordance with Article IV of the Financial Regulations and Article V of the Financial Rules. For obligations against the aforesaid funds provided under interagency arrangements, obligations are set up and maintained in accordance with the financial regulations of the respective funding agencies.

18. The biennium 1996-1997 was the first financial period in which WHO recorded expenditure on an accrual basis for all funds. Prior to 1996-1997, several funds, notably the Voluntary Fund for Health Promotion, certain other trust funds and WHO funds had reported expenditure on a cash basis. The funds, which were cash funds for expenditure reporting purposes prior to 1996-1997, and which now record expenditure on an accrual basis, are noted as follows:

- WHO Funds:
 - Real Estate Fund
 - Revolving Sales Fund
 - Special Account for Operation of Concessions at headquarters
 - Special Account for Servicing Costs
 - Terminal Payments Account
- Funds under Inter-Organization arrangements:
 - United Nations Afghanistan Emergency Trust Fund
 - United Nations Children's Fund
 - United Nations High Commissioner for Refugees
- Trust funds - Technical Cooperation:
 - Associate Professional Officers
 - Other Trust funds
- Supply Services
 - Revolving Fund for Teaching and Laboratory Equipment
for Medical Education and Training
 - General
- Voluntary Fund for Health Promotion

19. Expenditure to be reported in the Interim Financial Report for 1998, biennium 1998-1999, is based upon obligations incurred, i.e., disbursements made during the year/biennium and unliquidated obligations at the end of the year/biennium.

20. Expenditure for WHO programme activities in Statement I, covering technical cooperation and supply services, is shown under separate columns, such as regular budget and working capital fund, and each source or group of sources of extrabudgetary funding, and is reported against the expenditure line "International Health Programme".

21. Expenditure for non-WHO programme activities, or against funds or entities for which WHO otherwise has administrative responsibility or other relationship, is reported under the appropriate column heading against the expenditure line "Other Purposes". The trust funds and other entities concerned in respect of non-WHO programme activities include:

- Trust Fund for the Joint United Nations Programme on HIV/AIDS
- International Agency for Research on Cancer
- International Computing Centre
- Staff Health Insurance
- Special Fund for Compensation
- Due to Estates of Deceased Staff Members
- Other Funds
- Foundations

22. Detailed financial reports are issued separately by the Joint United Nations Programme on HIV/AIDS, the International Agency for Research on Cancer and the International Computing Centre. Each of these entities is subject to separate audit certification addressed to their appropriate governing body.

Staff Health Insurance (Statement 1.4)

23. Income of the Staff Health Insurance Fund consists of contributions received in respect of 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 addition, the Organization pays a special contribution to finance (over a ten-year period) the actuarial deficit for retired staff which was identified following an actuarial study in 1989. The balance due at the end of 1998 will be paid in 1999. As a measure to ensure adequate funding for future claims of retired staff, a fixed percentage (currently 25%) of active staff contributions are set aside each year. The remaining 75% of contributions (known as first-tier contributions) are required to meet the current claims of active staff. If contributions are not sufficient for this purpose, any deficit must be met by an additional (second-tier) contribution payable by staff and the Organization in the Office/region concerned throughout the following year. The balance of the fund at 31 December 1998, \$ 173 085 802, is comprised as follows:

To meet statutory reserves:

| | | |
|---|--------------------|---------------------------|
| Settlement of outstanding claims (SHI rule 470.1) | 7 567 472 | |
| Future costs of retired staff (SHI rule 470.2) | <u>129 394 000</u> | 136 961 472 |
| Reserve for major claims and cost of reinsurance (SHI rule 470.3) | | <u>36 124 330</u> |
| | | <u><u>173 085 802</u></u> |

Other funds (Statement 1.4)

Special fund for compensation

24. This fund was set up by the Director-General in terms of Financial Regulation 6.5 for the payment of periodic benefits awarded under WHO compensation rules for service-incurred accidents and illnesses. It is financed by transfers of funds from the budgetary resources from which the staff member was financed; the credit of benefits received from the commercial accident and illness insurance policy established for this purpose, and interest earned.

Due to estates of deceased staff members

25. These comprise balances due on account of deceased members of WHO staff, pending conclusion of legal and other successional formalities.

Other trust funds held by WHO

26. These funds comprise balances held on behalf of interagency and other entities for the administration of which WHO acts as trustee.

Foundations

27. These comprise foundations for which WHO is trustee for financial and administrative management. At 31 December 1998, they were:

Léon Bernard Foundation
Darling Foundation
Dr A.T. Shousha Foundation
Jacques Parisot Foundation
Ihsan Dogramaci Family Health Foundation
Dr Comlan A.A. Quenum Prize
Francesco Pocchiari Fellowship
United Arab Emirates Health Foundation

Provision for delays in the collection of assessed contributions (Statement I)

28. This provision relates to the assessed contributions of Members for 1998 to the effective working budget under the approved regular programme budget for 1998-1999 which remained unpaid at 31 December 1998. The total amount of the provision corresponds to the total assessed contributions outstanding for Members as reflected in Schedule 1.

Payment of assessed contributions of prior financial periods (Statement I)

29. Arrears of assessed contributions collected in 1998 in respect of prior financial periods and their disposition are detailed as follows:

| Amount | Financial Period | Disposition of Repayment of Arrears of Assessed Contributions | | |
|-------------------|------------------|---|----------------------|------------------|
| | | Internal Borrowing | Working Capital Fund | Casual Income |
| 14 935 | 1976 | - | - | 14 935 |
| 29 300 | 1977 | - | - | 29 300 |
| 5 127 | 1978 | - | - | 5 127 |
| 43 400 | 1986-1987 | - | - | 43 400 |
| 165 783 | 1988-1989 | - | - | 165 783 |
| 999 333 | 1992-1993 | - | - | 999 333 |
| <u>84 824 482</u> | 1996-1997 | <u>84 824 482</u> | <u>-</u> | <u>-</u> |
| <u>86 082 360</u> | | <u>84 824 482</u> | <u>-</u> | <u>1 257 878</u> |
| (Schedule 1) | | (Schedule 2) | (Schedule 2) | (Schedule 3) |

Savings on liquidation of obligations of prior financial periods
(Statements I, I.1, I.2 and I.3)

30. These relate to the liquidation in 1998 of unliquidated obligations of the prior financial period, and the net savings that had accrued when settlement took place, or when obligations otherwise were no longer required. The savings reported relate to those funds under which accrual expenditure variances are dealt with by debit/credit to a casual or miscellaneous income account in the fund concerned. These funds and the income credited to each during 1998, comprise the following:

- Regular budget
- United Nations Development Programme
- United Nations Environment Programme
- United Nations International Drug Control Programme
- United Nations Population Fund
- United Nations Trust Fund for Assistance to Lebanon
- United Nations Sundry Trust and Voluntary Funds
- Onchocerciasis Control Programme
- African Programme for Onchocerciasis Control
- Trust Fund for the Special Programme for Research and Training in Tropical Diseases
- Sasakawa Health Trust Fund

Transfers between funds (Statement I - Annex 1)

31. These relate to transfers between WHO internal funds for the purposes stated, in respect of necessary accounting action to reflect decisions by the World Health Assembly. They also include action by the Director-General in the accounts closure process and in the establishment of the Organization's financial statements and supporting schedules, in accordance with the Financial Regulations and established accounting practices. The transfers are detailed in Annex 1 of Statement I and its accompanying statements.

Eliminations (Statement I - Annex 2)

32. In an operational environment such as that in WHO where programme activities under the regular budget and those under extrabudgetary sources of financing comprise a single entity, thus forming the International Health Programme, expenditure is consolidated in the Organization's accounts and financial statements to reflect globally, the costs of technical cooperation programme delivery. In terms of the consolidation concept and where, as in WHO, there are material transfers of financial resources between individual funds during the financial period, it is necessary, in order to reflect the net costs of overall programme delivery, to eliminate such transfers and thus avoid the effects of "double counting" of expenditures and corresponding income. In addition, it is necessary to eliminate the "double counting" effects between expenditures for programme support services charged against extrabudgetary financial activities, and the corresponding support costs income received in the Special Account for Servicing Costs. It is further necessary to eliminate the movements, during the financial period, of the capitalized value of capital assets (real property), against the corresponding increase (or decrease) in Members' equity in capital assets.

33. The above eliminations are detailed in Statement I, Annex 2.

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES AS AT 31 DECEMBER 1998
(STATEMENT II)**

ASSETS

Cash

34. The aggregation of all the Organization's cash funds, including cash, imprest and bank accounts, and funds in transit, reflects a balance of \$ 80 387 935.

Imprest account balances have not been adjusted to reflect disbursements reported too late for inclusion in the accounts of the closing year. These transactions will be accounted for against the appropriate liquidation of the 1998 obligations in 1999.

Letters of credit

35. In addition to actual cash resources in hand, WHO had available to it at 31 December 1998 undrawn balances totalling \$ 41 208 670 under letters of credit received from the United States of America. These relate to the following activities:

The US Agency for International Development

Under the Voluntary Fund for Health Promotion, \$ 37 629 191.

Under the Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), \$ 2 350 000.

The US Environmental Protection Agency

Under the Voluntary Fund for Health Promotion, \$ 1 229 479.

The funds available under these respective facilities are recorded in the accounts of the Organization only when actually drawn down, according to programme requirements as implementation of activities proceeds. As and when cash is received, this will be recorded as income under the funds concerned.

Accounts receivable

36. **Sundry debtors** - \$ 34 502 064, as detailed below, comprising payments due from other international organizations, advances made to staff members in accordance with the regulations and rules of the Organization, deposit accounts and other debtors. This item includes certain expenses that will be charged against corresponding reserves for unliquidated obligations, or other appropriate accounts in 1999.

| | |
|---|-------------------|
| Personal accounts of WHO staff - advances including standing advances | 14 950 658 |
| Due from other United Nations organizations and agencies, institutions, governments and ministries, firms, corporations and other entities, for goods and services provided | 11 063 883 |
| Expenditures to be charged in 1999 against corresponding unliquidated obligations or to other accounts, as appropriate | 7 507 922 |
| Other debtors | 919 614 |
| Guarantee deposits | 59 987 |
| | <u>34 502 064</u> |

Prepaid expenses

37. The amount of \$ 26 437 represents disbursements made in respect of obligations against the next financial period.

Interest accrued and unapportioned

38. See note 14.

Capital assets (Real property)

39. These assets refer to WHO properties at headquarters and in regional office locations which have been either purchased or constructed by the Organization or donated to it, and where the land upon which buildings have been erected is either owned by the Organization or has been made available to it by the host country concerned, at no cost or at a nominal annual ground rent. The value of capital assets represents the cost at the time of acquisition or construction, or, in the case of donated properties, the value advised by the donor. No adjustment is made for depreciation, appreciation or fluctuations in currencies; similarly, no adjustment in the value of land and buildings of the Regional Office for Africa in Brazzaville has been made on account of the present marginal use of these premises.

In those regional office locations where WHO occupies premises made available to it 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.

During 1998, there were no increases in or disposals of capital assets.

At 31 December 1998, the cost value of land and buildings at each location comprises the following:

| Description of Property or Facility | Authority for Construction or Acquisition | Financial Period of Completion | Cost |
|--|--|--------------------------------|-------------------|
| Headquarters: | | | |
| Main building and capital improvements | WHA13.46 WHA16.22 WHA18.28 WHA20.11 WHA23.18 | 1966 | 15 923 231 |
| Land acquired for permanent extension of building | WHA23.17 | 1971 | 1 000 095 |
| Construction of prefabricated building (Building V) | WHA20.23 | 1967 | 392 629 |
| Construction of second prefabricated building (Building X) | WHA24.22 | 1971 | 689 791 |
| Construction of underground parking garage | WHA24.22 | 1971 | 961 085 |
| Construction of third prefabricated building (Building L-1) | WHA28.26 | 1976 | 1 799 575 |
| Construction of additional car park | WHA33.15 | 1980 | 104 564 |
| Construction of fourth prefabricated building (Building L-2) | WHA34.10 | 1982 | 3 716 363 |
| Construction of building to house kitchen and restaurant | WHA36.17 | 1985 | 2 728 844 |
| Construction of fifth prefabricated building (Building M) | WHA42.11 | 1991 | <u>14 281 193</u> |
| | Total: Headquarters | | <u>41 597 370</u> |
| Regional Office for Africa | | | |
| Land and building at Brazzaville donated by the Government of France | WHA15.14 | 1962 | 693 878 |
| Construction and alteration of residential apartments in Brazzaville | WHA15.15 WHA23.16 WHA24.24 WHA34.12 | Various | 2 260 409 |
| First extension to Regional Office building | WHA15.14 WHA23.16 | 1970 1972-1975 | 2 117 955 |
| Second extension to Regional Office building | WHA28.26 | 1975 | 930 588 |
| Third extension to Regional Office building | WHA37.19 | 1985 | 863 552 |
| Capital improvements to Regional Office building | - | | <u>145 724</u> |
| | | | 7 012 106 |

| Description of Property or Facility | Authority for Construction or Acquisition | Financial Period of Completion | Cost |
|---|---|--------------------------------|-----------------------------------|
| <i>African Region</i> | | | |
| Office building and staff housing - Malabo, Equatorial Guinea | WHA34.12 | | 599 287 |
| Land and buildings, Onchocerciasis Control Programme, Ouagadougou, Burkina Faso | - | | 650 347 |
| | Total: Regional Office for Africa | | 8 261 740 |
| <i>Regional Office for South-East Asia</i> | | | |
| Construction of Regional Office building | WHA20.9 | 1962 | 525 146 |
| Extensions to Regional Office building | WHA34.12 | 1972-1974 | 956 205 |
| Addition of one floor to Regional Office building | WHA45.9 | Continuing | 6 596 |
| | Total: Regional Office for South-East Asia | | 1 487 947 |
| <i>Regional Office for Eastern Mediterranean</i> | | | |
| Construction of new Regional Office building in Cairo | WHA49.8 WHA50.11 | Continuing | 297 056 |
| <i>Eastern Mediterranean Region</i> | | | |
| Construction of staff accommodation, Juba, Sudan | WHA26.48 | 1974-1975 | 68 369 |
| | Total: Regional Office for Eastern Mediterranean | | 365 425 |
| <i>Regional Office for Western Pacific</i> | | | |
| Construction of Regional Office building | WHA10.28 | | 692 290 |
| Capital Improvements to Regional Office building | WHA27.16 | | 25 097 |
| Extensions to Regional Office building | WHA29.29 WHA33.15 WHA43.6 | | 537 437 1 099 929 1 102 005 |
| | Total: Regional Office for Western Pacific | | 3 456 758 |
| | Total: Capital assets (real property) | | 55 169 240 |

LIABILITIES

Members' Contributions Received in Advance

40. At 31 December 1998, 36 members had paid in advance or in part, their contributions to the effective working budget for 1999 and for the biennium 2000-2001. Contributions paid in advance at that date amounted to \$ 19 199 628, and related to the following members, in the amounts and for the years indicated:

| <i>Member Country</i> | <i>Representing</i> | | <i>Amount US\$</i> |
|---------------------------------------|---------------------|--------------|------------------------|
| | <i>1999</i> | <i>2000</i> | |
| Angola | 33 716 | - | 33 716 |
| Bangladesh | 40 820 | - | 40 820 |
| Barbados | 175 | - | 175 |
| Benin | 1 398 | - | 1398 |
| Bhutan | 3 185 | 350 | 3 535 |
| Bulgaria | 51 950 | - | 51 950 |
| Canada | 10 578 255 | - | 10 578 255 |
| Costa Rica | 23 740 | - | 23 740 |
| Cuba | 56 004 | - | 56 004 |
| Czech Republic | 230 000 | - | 230 000 |
| Democratic People's Republic of Korea | 72 668 | - | 72 668 |
| Dominica | 4 190 | 810 | 5 000 |
| El Salvador | 510 | - | 510 |
| Eritrea | 3 080 | - | 3 080 |
| Estonia | 18 290 | - | 18 290 |
| Finland | 24 125 | - | 24 125 |
| France | 328 120 | - | 328 120 |
| Guyana | 1 | - | 1 |
| India | 583 180 | - | 583 180 |
| Kiribati | 3 220 | - | 3 220 |
| Kuwait | 660 | - | 660 |
| Malta | 510 | - | 510 |
| Mauritius | 35 635 | - | 35 635 |
| Mexico | 1 | - | 1 |
| Myanmar | 365 | - | 365 |
| New Zealand | 826 610 | - | 826 610 |
| Samoa | 3 115 | - | 3 115 |
| Seychelles | 135 | - | 135 |
| Slovakia | 148 830 | - | 148 830 |
| South Africa | 1 410 390 | - | 1 410 390 |
| Sudan | 7 366 | - | 7 366 |
| Sweden | 4 172 550 | - | 4 172 550 |
| Thailand | 533 130 | - | 533 130 |
| Tonga | 880 | - | 880 |
| Tunisia | 1 620 | - | 1 620 |
| United Republic of Tanzania | 44 | - | 44 |
| | <u>19 198 468</u> | <u>1 160</u> | <u>19 199 628</u> |

Unliquidated Obligations (Notes 17, 18)

41. Obligations are established and maintained for the Regular Budget, other WHO funds, Voluntary Fund for Health Promotion and Trust Funds (other than under interagency arrangements with other United Nations organizations and agencies) in accordance with WHO Financial Regulations and Financial Rules. For interagency arrangements, the financial regulations of the respective organizations and agencies apply.

Accounts payable

42. Accounts payable, \$ 24 177 977, representing the firm liabilities of the Organization for goods supplied and services rendered for which suppliers' invoices, staff claims and claims from contractors and other organizations had been received before year-end and their actual cost reflected in the expenditure accounts but for which payment had not been made by 31 December 1998. These comprise the following:

| | |
|---|--------------------------|
| Personal accounts of WHO Staff - proceeds of claims and other amounts due | 4 118 496 |
| Due to other United Nations organizations and agencies, institutions, governments, ministries, firms and corporations for goods and services received | 3 403 763 |
| Due to United Nations Joint Staff Pension Fund for contributions and other payments outstanding | 7 710 766 |
| Clearance accounts and other accounts payable | <u>8 944 952</u> |
| | <u><u>24 177 977</u></u> |

FUND BALANCES

Trust fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)

43. In terms of Financial Regulation 6.5, the Director-General has established a trust fund for UNAIDS to record the financial operations of the programme.

Since UNAIDS is a cosponsored interagency programme undertaken by UNICEF, UNDP, UNFPA, UNESCO, WHO and the World Bank, it is not considered part of WHO's International Health Programme but as a separate entity. Accordingly, it appears in the WHO's Consolidated Statement of Income and Expenditure and Changes in Fund Balances, Statement I.4 Other Trust Funds and Associated Entities, and its expenditure is included under "Other Purposes". It is reflected as a separate trust fund in the Statement of Assets, Liabilities and Fund Balances as at 31 December 1998, Statement II. UNAIDS income is recorded on a cash basis, its expenditure on the basis of accrual accounting. The Executive Director of UNAIDS is responsible for presenting the UNAIDS Financial Report to the Programme Coordinating Board. The accounts and the financial report of UNAIDS are subject to WHO's internal and external audit examination.

Foundations and Other Trust Funds

44. See Notes 21-27.

Working Capital Fund

45. At 31 December 1998, the established level and funding of the Working Capital Fund (\$ 31 000 000) had been fully withdrawn to meet the advances to cover the outstanding balances of the regular budget income deficits for 1990-1991 (\$ 2 274 816), 1994-1995 (\$ 24 093 113) and 1996-1997 (\$ 4 632 071). The remainder of the advance for 1996-1997 amounted to \$ 8 121 641 from the internal borrowing facility.

Executive Board Special Fund

46. This fund was established in 1954 by World Health Assembly resolution WHA7.24, for the purpose of meeting emergencies and unforeseen contingencies, any funds so used to be reimbursed by making specific regular budget provision or through other available sources. Due to the necessity for prior Executive Board approval in the use of the fund, the facility was used very infrequently, and accordingly, in 1997, following a recommendation by the Board, the Health Assembly, by resolution WHA50.6, authorized the transfer of the principal of \$ 100 000 to the Special Account for Disasters and Natural Catastrophes in the Voluntary Fund for Health Promotion.

Holding Account

47. This account holds funds appropriated by the Health Assembly to help finance the regular budget for the next financial period. The funds appropriated are credited as income to the regular budget on the first day of the next financial period.

Revolving Sales Fund

48. This account is credited with the proceeds from sale of publications, international certificates of vaccination, films, videos and other information material. Against it are charged the costs of producing additional copies of such items for sale, such expenditures being recorded on an accrual basis.

In 1998, in accordance with paragraph 4 (iii) of resolution WHA22.8, an amount of \$ 2 955 000 was transferred from the Revolving Sales Fund to the Special Account for Servicing Costs in order to finance, through the latter account, the cost of sales promotion and of staff engaged in sales for 2000.

Further, in accordance with paragraph 5 of resolution WHA22.8, an amount of \$ 825 632 was transferred to casual income, leaving a balance of \$ 500 000 in the Revolving Sales Fund.

Special Account for Operation of Concessions at Headquarters

49. Established by the Director-General under the authority which was vested in him under Financial Regulation 6.5, this account is credited with all amounts paid by concessionaires for space, equipment and other facilities made available by the Organization. Against the account are charged the cost of repairs, utilities, maintenance work and replacement of equipment, the expenditures being recorded on an accrual basis.

Members' Equity in Capital Assets (Real Property)

50. The balance of \$ 55 169 240 represents the value of capital assets (real property) at 31 December 1998 (Note 39).

Non-expendable Equipment

51. In accordance with established accounting policy, non-expendable equipment, including furniture, computers and other office equipment and motor vehicles, are charged as expenditure on purchase. However, the costs of such capital assets are recorded at cost on inventory at the end of each biennium. The total value at cost at 31 December 1997 was \$ 100 750 903. Due to the civil disturbances in Brazzaville, WHO's fixtures, equipment and motor vehicles costing \$ 2 064 150 were damaged or looted during the last quarter of 1997, and consequently those items were not included in the above figure.

United Nations Joint Staff Pension Fund

52. 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. 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 its share of any actuarial deficiency payments which might become payable pursuant to Article 26 of the Regulations of the Fund.

Contingent Liabilities

53. At 31 December 1998, there were pending legal proceedings against the Organization of an immaterial nature on commercial matters relating to rentals at two field offices. In addition, there were outstanding personnel matters before the ILO Administrative Tribunal. These are 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.

ASSESSED CONTRIBUTIONS - 1998 AND PRIOR FINANCIAL PERIODS

(EXPRESSED IN US DOLLARS)

FOLLOWING THE INTRODUCTION IN WHO OF THE UNITED NATIONS SYSTEM ACCOUNTING STANDARDS FROM 1996-1997, ASSESSED CONTRIBUTIONS ARE REFLECTED AS INCOME IN THE ACCOUNTS ON AN ACCRUAL BASIS, WITH A CORRESPONDING PROVISION FOR DELAYS IN COLLECTION OF OUTSTANDING CONTRIBUTIONS.

| MEMBERS, INCLUDING ASSOCIATE MEMBERS | 1998 ASSESSMENTS | | | ASSESSMENTS FOR PRIOR FINANCIAL PERIODS | | | TOTAL OUTSTANDING |
|--|--------------------|-----------------------------|---------------------------------------|---|--|---------------------------------------|----------------------|
| | NET ASSESSMENTS | COLLECTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | BALANCE OUTSTANDING 1 JAN 1998 | COLLECTED OR ADJUSTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | |
| MEMBERS ASSESSED FOR THE EFFECTIVE WORKING BUDGET | | | | | | | |
| AFGHANISTAN | 41 860 | - | 41 860 | 164 130 | - | 164 130 | 205 990 |
| ALBANIA | 40 950 | 40 950 | - | - | - | - | - |
| ALGERIA | 654 515 | 654 515 | - | - | - | - | - |
| ANDORRA | 41 860 | 41 860 | - | - | - | - | - |
| ANGOLA | 41 790 | 41 790 | - | - | - | - | - |
| ANTIGUA AND BARBUDA | 41 860 | - | 41 860 | 256 724 | - | 256 724 | 298 584 |
| ARGENTINA | 1 961 610 | - | 1 961 610 | 2 169 182 | - | 2 169 182 | 4 130 792 |
| ARMENIA | 209 280 | - | 209 280 | 2 192 710 | - | 2 192 710 | 2 401 990 |
| AUSTRALIA | 5 917 840 | 5 917 840 | - | - | - | - | - |
| AUSTRIA | 3 507 570 | 3 507 570 | - | 180 562 | 180 562 | - | - |
| AZERBAIJAN | 460 420 | - | 460 420 | 3 637 010 | - | 3 637 010 | 4 097 430 |
| BAHAMAS | 81 675 | 81 675 | - | - | - | - | - |
| BAHRAIN | 81 205 | 81 205 | - | - | - | - | - |
| BANGLADESH | 40 820 | 40 820 | - | - | - | - | - |
| BARBADOS | 41 065 | 41 065 | - | - | - | - | - |
| BELARUS | 1 130 120 | - | 1 130 120 | 2 317 190 | 1 158 595 | 1 158 595 | 2 288 715 |
| BELGIUM | 4 119 845 | 4 119 845 | - | 551 192 | 551 192 | - | - |
| BELIZE | 40 960 | 40 960 | - | - | - | - | - |
| BENIN | 41 030 | 41 030 | - | 4 418 | 4 418 | - | - |
| BHUTAN | 40 855 | 40 855 | - | - | - | - | - |
| BOLIVIA | 41 850 | - | 41 850 | 40 745 | 40 745 | - | 41 850 |
| BOSNIA AND HERZEGOVINA | 41 860 | - | 41 860 | 582 350 | 46 355 | 535 995 | 577 855 |
| BOTSWANA | 40 955 | 40 955 | - | - | - | - | - |
| BRAZIL | 6 655 190 | - | 6 655 190 | 9 922 470 | 7 811 845 | 2 110 625 | 8 765 815 |
| BRUNEI DARUSSALAM | 81 120 | 81 120 | - | - | - | - | - |
| BULGARIA | 334 820 | 334 820 | - | 655 851 | 655 851 | - | - |
| BURKINA FASO | 41 860 | 18 056 | 23 804 | 69 856 | 69 856 | - | 23 804 |
| BURUNDI | 41 860 | - | 41 860 | 105 295 | 90 448 | 14 847 | 56 707 |
| CAMBODIA | 41 860 | - | 41 860 | 41 585 | 41 570 | 15 | 41 875 |
| CAMEROON | 41 860 | 16 647 | 25 213 | 46 809 | 46 809 | - | 25 213 |
| CANADA | 12 483 795 | 12 483 795 | - | - | - | - | - |
| CAPE VERDE | 41 855 | - | 41 855 | 42 105 | 42 105 | - | 41 855 |
| CENTRAL AFRICAN REPUBLIC | 41 860 | - | 41 860 | 140 016 | - | 140 016 | 181 876 |
| CHAD | 41 860 | - | 41 860 | 243 700 | - | 243 700 | 285 560 |
| CHILE | 334 845 | 334 845 | - | - | - | - | - |
| CHINA | 2 988 850 | 2 988 850 | - | - | - | - | - |
| COLOMBIA | 407 405 | 407 405 | - | - | - | - | - |
| COMOROS | 41 860 | - | 41 860 | 407 593 | - | 407 593 | 449 453 |
| CONGO | 226 860 | 45 270 | 181 590 | 685 240 | 685 240 | - | 181 590 |
| COOK ISLANDS | 41 345 | 41 345 | - | - | - | - | - |
| COSTA RICA | 41 530 | 41 530 | - | - | - | - | - |
| COTE D'IVOIRE | 40 545 | 40 545 | - | - | - | - | - |
| CROATIA | 376 700 | 376 700 | - | - | - | - | - |
| CUBA | 209 280 | 209 280 | - | 1 139 468 | 227 894 | 911 574 | 911 574 |

| MEMBERS, INCLUDING ASSOCIATE MEMBERS | 1998 ASSESSMENTS | | | ASSESSMENTS FOR PRIOR FINANCIAL PERIODS | | | TOTAL OUTSTANDING |
|--|--------------------|-----------------------------|---------------------------------------|---|--|---------------------------------------|----------------------|
| | NET ASSESSMENTS | COLLECTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | BALANCE OUTSTANDING 1 JAN 1998 | COLLECTED OR ADJUSTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | |
| CYPRUS | 123 245 | 123 245 | - | - | - | - | - |
| CZECH REPUBLIC | 978 715 | 978 715 | - | - | - | - | - |
| DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA | 204 070 | 204 070 | - | - | - | - | - |
| DEMOCRATIC REPUBLIC OF THE CONGO | 41 835 | - | 41 835 | - | - | - | 41 835 |
| DENMARK | 2 904 600 | 2 904 600 | - | - | - | - | - |
| DJIBOUTI | 41 860 | - | 41 860 | 133 792 | - | 133 792 | 175 652 |
| DOMINICA | 41 860 | 41 860 | - | 41 560 | 41 560 | - | - |
| DOMINICAN REPUBLIC | 41 860 | - | 41 860 | 869 165 | 138 147 | 731 018 | 772 878 |
| ECUADOR | 83 710 | - | 83 710 | 276 878 | 111 828 | 165 050 | 248 760 |
| EGYPT | 327 290 | 327 290 | - | - | - | - | - |
| EL SALVADOR | 41 470 | 41 470 | - | - | - | - | - |
| EQUATORIAL GUINEA | 41 860 | - | 41 860 | 338 709 | 36 013 | 302 696 | 344 556 |
| ERITREA | 40 910 | 40 910 | - | - | - | - | - |
| ESTONIA | 167 420 | 167 420 | - | 87 168 | 87 168 | - | - |
| ETHIOPIA | 40 825 | 40 825 | - | - | - | - | - |
| FIJI | 40 940 | 40 940 | - | - | - | - | - |
| FINLAND | 2 494 615 | 2 494 615 | - | - | - | - | - |
| FRANCE | 27 027 625 | 27 027 625 | - | - | - | - | - |
| GABON | 41 860 | 1 624 | 40 236 | 153 030 | 153 030 | - | 40 236 |
| GAMBIA | 41 860 | - | 41 860 | 110 665 | - | 110 665 | 152 525 |
| GEORGIA | 460 420 | - | 460 420 | 3 791 480 | - | 3 791 480 | 4 251 900 |
| GERMANY | 36 774 875 | 36 774 875 | - | - | - | - | - |
| GHANA | 41 245 | 41 245 | - | - | - | - | - |
| GREECE | 1 516 700 | 1 516 700 | - | - | - | - | - |
| GRENADA | 41 860 | - | 41 860 | 73 398 | 31 828 | 41 570 | 83 430 |
| GUATEMALA | 83 710 | 82 254 | 1 456 | 81 169 | 81 169 | - | 1 456 |
| GUINEA | 41 850 | - | 41 850 | 82 366 | - | 82 366 | 124 216 |
| GUINEA-BISSAU | 41 860 | - | 41 860 | 235 089 | 41 860 | 193 229 | 235 089 |
| GUYANA | 40 825 | 40 825 | - | 149 | 149 | - | - |
| HAITI | 41 860 | 13 604 | 28 256 | 41 280 | 41 280 | - | 28 256 |
| HONDURAS | 41 580 | 41 335 | 245 | - | - | - | 245 |
| HUNGARY | 569 640 | 569 640 | - | - | - | - | - |
| ICELAND | 123 690 | 123 690 | - | - | - | - | - |
| INDIA | 1 239 260 | 1 239 260 | - | - | - | - | - |
| INDONESIA | 570 305 | 570 305 | - | - | - | - | - |
| IRAN (ISLAMIC REPUBLIC OF) | 1 841 680 | - | 1 841 680 | 2 989 238 | 2 119 656 | 869 582 | 2 711 262 |
| IRAQ | 585 990 | - | 585 990 | 4 401 237 | - | 4 401 237 | 4 987 227 |
| IRELAND | 819 070 | 819 070 | - | - | - | - | - |
| ISRAEL | 1 064 755 | 1 064 755 | - | - | - | - | - |
| ITALY | 21 252 350 | 12 759 043 | 8 493 307 | 4 021 639 | 4 021 639 | - | 8 493 307 |
| JAMAICA | 41 400 | 41 400 | - | - | - | - | - |
| JAPAN | 63 223 355 | 63 223 355 | - | - | - | - | - |
| JORDAN | 40 940 | 40 940 | - | - | - | - | - |
| KAZAKHSTAN | 795 270 | - | 795 270 | 4 631 031 | 883 602 | 3 747 429 | 4 542 699 |
| KENYA | 41 460 | - | 41 460 | 27 232 | 12 484 | 14 748 | 56 208 |
| KIRIBATI | 40 890 | 40 890 | - | - | - | - | - |
| KUWAIT | 773 260 | 773 260 | - | - | - | - | - |
| KYRGYZSTAN | 125 570 | - | 125 570 | 1 041 480 | - | 1 041 480 | 1 167 050 |
| LAO PEOPLE'S DEMOCRATIC REPUBLIC | 44 430 | 44 430 | - | - | - | - | - |

| MEMBERS, INCLUDING ASSOCIATE MEMBERS | 1998 ASSESSMENTS | | | ASSESSMENTS FOR PRIOR FINANCIAL PERIODS | | | TOTAL OUTSTANDING |
|---|--------------------|-----------------------------|---------------------------------------|---|--|---------------------------------------|----------------------|
| | NET ASSESSMENTS | COLLECTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | BALANCE OUTSTANDING 1 JAN 1998 | COLLECTED OR ADJUSTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | |
| LATVIA | 334 850 | - | 334 850 | 2 259 930 | 442 280 | 1 817 650 | 2 152 500 |
| LEBANON | 41 570 | 40 160 | 1 410 | 40 160 | 40 160 | - | 1 410 |
| LESOTHO | 40 850 | - | 40 850 | 41 230 | 40 850 | 380 | 41 230 |
| LIBERIA | 41 860 | - | 41 860 | 356 137 | 40 985 | 315 152 | 357 012 |
| LIBYAN ARAB JAMAHIRIYA | 837 130 | - | 837 130 | 1 772 918 | 863 382 | 909 536 | 1 746 666 |
| LITHUANIA | 334 850 | - | 334 850 | 1 022 920 | 342 850 | 680 070 | 1 014 920 |
| LUXEMBOURG | 286 490 | 286 490 | - | - | - | - | - |
| MADAGASCAR | 41 860 | 36 749 | 5 111 | 51 772 | 51 772 | - | 5 111 |
| MALAWI | 41 415 | 41 003 | 412 | - | - | - | 412 |
| MALAYSIA | 574 245 | 574 245 | - | - | - | - | - |
| MALDIVES | 40 875 | 40 875 | - | - | - | - | - |
| MALI | 41 845 | 41 428 | 417 | 83 753 | 83 753 | - | 417 |
| MALTA | 40 835 | 40 835 | - | - | - | - | - |
| MARSHALL ISLANDS | 41 855 | - | 41 855 | - | - | - | 41 855 |
| MAURITANIA | 41 860 | - | 41 860 | 126 885 | 85 243 | 41 642 | 83 502 |
| MAURITIUS | 40 810 | 40 810 | - | - | - | - | - |
| MEXICO | 3 262 605 | 3 262 605 | - | 907 052 | 907 052 | - | - |
| MICRONESIA (FEDERATED STATES OF) | 41 370 | 41 370 | - | 1 260 | 1 260 | - | - |
| MONACO | 40 860 | 40 860 | - | - | - | - | - |
| MONGOLIA | 40 885 | - | 40 885 | - | - | - | 40 885 |
| MOROCCO | 124 015 | 124 015 | - | - | - | - | - |
| MOZAMBIQUE | 40 935 | 40 935 | - | - | - | - | - |
| MYANMAR | 40 820 | 40 820 | - | - | - | - | - |
| NAMIBIA | 40 935 | 40 935 | - | - | - | - | - |
| NAURU | 41 855 | - | 41 855 | 82 630 | - | 82 630 | 124 485 |
| NEPAL | 40 875 | 40 875 | - | - | - | - | - |
| NETHERLANDS | 6 374 760 | 6 374 760 | - | - | - | - | - |
| NEW ZEALAND | 938 490 | 938 490 | - | - | - | - | - |
| NICARAGUA | 41 855 | - | 41 855 | 40 417 | - | 40 417 | 82 272 |
| NIGER | 41 860 | - | 41 860 | 201 516 | 41 793 | 159 723 | 201 583 |
| NIGERIA | 460 205 | - | 460 205 | 463 545 | - | 463 545 | 923 750 |
| NIUE | 41 795 | - | 41 795 | - | - | - | 41 795 |
| NORWAY | 2 247 240 | 2 247 240 | - | - | - | - | - |
| OMAN | 164 285 | 164 285 | - | - | - | - | - |
| PAKISTAN | 249 975 | 10 201 | 239 774 | - | - | - | 239 774 |
| PALAU | 41 420 | 41 420 | - | - | - | - | - |
| PANAMA | 41 860 | 31 425 | 10 435 | 20 061 | 20 061 | - | 10 435 |
| PAPUA NEW GUINEA | 41 265 | - | 41 265 | - | - | - | 41 265 |
| PARAGUAY | 41 525 | 41 510 | 15 | - | - | - | 15 |
| PERU | 251 130 | - | 251 130 | 679 777 | 433 000 | 246 777 | 497 907 |
| PHILIPPINES | 245 255 | 180 235 | 65 020 | - | - | - | 65 020 |
| POLAND | 1 337 390 | 1 337 390 | - | 134 716 | 134 716 | - | - |
| PORTUGAL | 1 113 675 | 1 113 675 | - | - | - | - | - |
| PUERTO RICO | 41 720 | - | 41 720 | 82 200 | - | 82 200 | 123 920 |
| QATAR | 166 885 | 166 885 | - | - | - | - | - |
| REPUBLIC OF KOREA | 3 279 820 | 3 279 820 | - | - | - | - | - |
| REPUBLIC OF MOLDOVA | 334 850 | - | 334 850 | 2 460 149 | - | 2 460 149 | 2 794 999 |
| ROMANIA | 627 840 | 627 840 | - | 661 585 | 661 585 | - | - |
| RUSSIAN FEDERATION | 17 579 750 | - | 17 579 750 | 34 960 170 | 20 180 000 | 14 780 170 | 32 359 920 |
| RWANDA | 41 860 | 41 860 | - | - | - | - | - |

| MEMBERS, INCLUDING ASSOCIATE MEMBERS | 1998 ASSESSMENTS | | | ASSESSMENTS FOR PRIOR FINANCIAL PERIODS | | | TOTAL OUTSTANDING |
|--|--------------------|-----------------------------|---------------------------------------|---|--|---------------------------------------|----------------------|
| | NET ASSESSMENTS | COLLECTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | BALANCE OUTSTANDING 1 JAN 1998 | COLLECTED OR ADJUSTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | |
| SAINT KITTS AND NEVIS | 40 935 | 40 935 | - | - | - | - | - |
| SAINT LUCIA | 40 810 | 40 810 | - | - | - | - | - |
| SAINT VINCENT AND THE GRENADINES | 41 810 | - | 41 810 | 49 119 | 49 119 | - | 41 810 |
| SAMOA | 40 945 | 40 945 | - | - | - | - | - |
| SAN MARINO | 40 930 | 40 930 | - | - | - | - | - |
| SAO TOME AND PRINCIPE | 40 925 | 40 925 | - | 510 | 510 | - | - |
| SAUDI ARABIA | 2 927 220 | 2 865 561 | 61 659 | - | - | - | 61 659 |
| SENEGAL | 41 345 | 2 713 | 38 632 | - | - | - | 38 632 |
| SEYCHELLES | 41 410 | 41 410 | - | - | - | - | - |
| SIERRA LEONE | 41 340 | - | 41 340 | - | - | - | 41 340 |
| SINGAPORE | 575 510 | 575 510 | - | - | - | - | - |
| SLOVAKIA | 324 630 | 324 630 | - | - | - | - | - |
| SLOVENIA | 285 515 | - | 285 515 | 285 360 | 136 275 | 149 085 | 434 600 |
| SOLOMON ISLANDS | 41 860 | - | 41 860 | 82 570 | - | 82 570 | 124 430 |
| SOMALIA | 41 860 | - | 41 860 | 329 023 | - | 329 023 | 370 883 |
| SOUTH AFRICA | 1 259 630 | 1 259 630 | - | - | - | - | - |
| SPAIN | 9 601 400 | 9 601 400 | - | - | - | - | - |
| SRI LANKA | 40 915 | 40 915 | - | - | - | - | - |
| SUDAN | 41 860 | 41 860 | - | 26 012 | 26 012 | - | - |
| SURINAME | 41 860 | - | 41 860 | - | - | - | 41 860 |
| SWAZILAND | 41 485 | 36 423 | 5 062 | - | - | - | 5 062 |
| SWEDEN | 4 944 560 | 4 944 560 | - | - | - | - | - |
| SWITZERLAND | 4 864 450 | 4 864 450 | - | - | - | - | - |
| SYRIAN ARAB REPUBLIC | 205 440 | 205 440 | - | - | - | - | - |
| TAJIKISTAN | 83 710 | - | 83 710 | 732 074 | 58 883 | 673 191 | 756 901 |
| THAILAND | 533 130 | 533 130 | - | - | - | - | - |
| THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA | 40 940 | 29 306 | 11 634 | - | - | - | 11 634 |
| TOGO | 41 860 | - | 41 860 | 7 733 | - | 7 733 | 49 593 |
| TOKELAU | 41 410 | - | 41 410 | 28 030 | - | 28 030 | 69 440 |
| TONGA | 40 815 | 40 815 | - | - | - | - | - |
| TRINIDAD AND TOBAGO | 125 570 | 22 824 | 102 746 | 78 767 | 78 767 | - | 102 746 |
| TUNISIA | 123 530 | 123 530 | - | - | - | - | - |
| TURKEY | 1 537 465 | 1 238 730 | 298 735 | 705 000 | 705 000 | - | 298 735 |
| TURKMENISTAN | 125 570 | - | 125 570 | 991 750 | - | 991 750 | 1 117 320 |
| TUVALU | 40 955 | 40 955 | - | - | - | - | - |
| UGANDA | 41 285 | 15 231 | 26 054 | 33 910 | 33 910 | - | 26 054 |
| UKRAINE | 4 478 650 | - | 4 478 650 | 28 477 160 | - | 28 477 160 | 32 955 810 |
| UNITED ARAB EMIRATES | 795 045 | 795 045 | - | - | - | - | - |
| UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND | 21 416 350 | 21 416 350 | - | - | - | - | - |
| UNITED REPUBLIC OF TANZANIA | 41 440 | 41 440 | - | 2 107 | 2 107 | - | - |
| UNITED STATES OF AMERICA | 108 371 575 | 68 607 036 | 39 764 539 | 39 764 549 | 39 764 549 | - | 39 764 539 |
| URUGUAY | 167 420 | 15 218 | 152 202 | 314 472 | 314 472 | - | 152 202 |
| UZBEKISTAN | 544 130 | 544 130 | - | - | - | - | - |
| VANUATU | 40 980 | - | 40 980 | 41 250 | 41 250 | - | 40 980 |
| VENEZUELA | 1 339 400 | - | 1 339 400 | 1 344 634 | 943 696 | 400 938 | 1 740 338 |
| VIET NAM | 40 900 | 40 900 | - | - | - | - | - |
| YEMEN | 36 860 | - | 36 860 | 117 162 | 60 830 | 56 332 | 93 192 |
| YUGOSLAVIA | 418 560 | - | 418 560 | 4 892 542 | - | 4 892 542 | 5 311 102 |
| ZAMBIA | 40 980 | 40 980 | - | 41 340 | 41 340 | - | - |

| MEMBERS, INCLUDING ASSOCIATE MEMBERS | 1998 ASSESSMENTS | | | ASSESSMENTS FOR PRIOR FINANCIAL PERIODS | | | TOTAL OUTSTANDING |
|---|--------------------|-----------------------------|---------------------------------------|---|--|---------------------------------------|----------------------|
| | NET ASSESSMENTS | COLLECTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | BALANCE OUTSTANDING 1 JAN 1998 | COLLECTED OR ADJUSTED DURING 1998 | BALANCE OUTSTANDING 31 DEC 1998 | |
| ZIMBABWE | 41 275 | 41 275 | - | - | - | - | - |
| TOTAL - MEMBERS ASSESSED FOR THE EFFECTIVE WORKING BUDGET | 418 751 000 | 326 377 216 | 92 373 784 | 173 819 813 | 86 082 360 | 87 737 453 | 180 111 237 |
| NEW AND FORMERLY INACTIVE MEMBERS | | | | | | | |
| BELARUS (a) | - | - | - | 908 361 | - | 908 361 | 908 361 |
| UKRAINE (a) | - | - | - | 4 948 020 | - | 4 948 020 | 4 948 020 |
| TOTAL - NEW AND FORMERLY INACTIVE MEMBERS | - | - | - | 5 856 381 | - | 5 856 381 | 5 856 381 |
| TOTAL - ALL MEMBERS | 418 751 000 | 326 377 216 | 92 373 784 | 179 676 194 | 86 082 360 | 93 593 834 | 185 967 618 |

(a) 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 ON THE PREVIOUS PAGES.

WORKING CAPITAL FUND

as at 31 December 1998

(expressed in US dollars)

The Working Capital Fund was established for the primary purpose of providing funds as may be required to finance the regular budget pending receipt of contributions from Members and Associate Members, the sums so advanced being subject to reimbursement to the Fund as contributions become available. Additionally, in accordance with Financial Regulations 5.1 and 6.3, should the Working Capital Fund be depleted, the Director-General is authorized to resort to internal borrowing, the advances against which and their replenishment are also reflected in this account.

By virtue of resolution WHA48.21, Part I of the Fund (advances from Members and Associate Members, \$ 5 139 390) and Part II (amounts transferred from casual income, totalling \$ 26 000 000), were consolidated to form a single Working Capital Fund, with effect from 1 January 1996. The amount of \$ 5 139 390 consisting of advances received from Members and Associate Members, was refunded accordingly by credit to outstanding regular budget contributions remaining due by each Member or Associate Member on that date. To compensate in part for the refund, the Director-General on 1 January 1996 transferred \$ 5 000 000 from casual income to the Working Capital Fund.

The established level of the Working Capital Fund is presently \$ 31 000 000.

| | 1996-1997 | | 1998 | |
|--|----------------------------|----------------------|----------------------------------|----------------------|
| | Internal Borrowing | Working Capital Fund | Internal Borrowing | Working Capital Fund |
| Balance at 1 January 1996 and at 1 January 1998 | <u>(178 147 793)</u> | <u>-</u> | <u>(92 946 123)</u> | <u>-</u> |
| Repayments | | | | |
| Assessments on Members received: | | | | |
| New Members and formerly inactive Members | - | - | - | - |
| Transfer from casual income: | | | | |
| Resolution WHA48.21 | - | 5 000 000 | - | - |
| Arrears of contributions collected, including credits from Part I, as appropriate, under resolution WHA48.21, and applied as reimbursement of regular budget income deficit: | | | | |
| 1990-1991 | - | 428 546 | - | - |
| 1994-1995 | 178 147 793 | 4 342 915 | - | - |
| 1996-1997 | - | - | 84 824 482 | - |
| Total - Repayments | <u>178 147 793</u> | <u>9 771 461</u> | <u>84 824 482</u> | <u>-</u> |
| Withdrawals | | | | |
| Advances in respect of regular budget income deficits | 92 946 123 | 4 632 071 | - | - |
| Refund of amounts standing to the credit of each Member or Associate Member (resolution WHA48.21) | - | 5 139 390 | - | - |
| Total - Withdrawals | <u>92 946 123</u> | <u>9 771 461</u> | <u>-</u> | <u>-</u> |
| Balance at 31 December 1997 and at 31 December 1998 (Statement I) | <u><u>(92 946 123)</u></u> | <u><u>-</u></u> | <u><u>(8 121 641)</u></u> | <u><u>-</u></u> |

CASUAL INCOME ACCOUNT

as at 31 December 1998

(expressed in US dollars)

This account, pursuant to Article 7.1 of the Financial Regulations, is credited with miscellaneous income arising from interest on funds deposited with banks, the sale of equipment, exchange differential and other sundry revenues; the account also reflects the financing of the headquarters underground parking garage in accordance with resolution WHA24.22.

Pursuant to Article IV of the Financial Regulations the account is also credited with the unobligated balances of appropriations remaining at the end of the financial period; such unobligated balances become cash for credit to casual income only when outstanding assessed contributions to the regular budget are paid by the Members concerned. Arrears of contributions collected and credited to casual income in 1998 relating to 1988-1989 and prior financial periods amounted to \$ 258 545, and for 1992-1993, \$ 999 333. Arrears of contributions collected during 1998 in respect of the biennium 1996-1997 amounted to \$ 84 824 482. This amount was credited towards the partial reimbursement of the advance of \$ 92 946 123, being the part of regular budget income deficit for that financial period which had been secured against other available WHO funds. After reimbursement of the outstanding advance from other available WHO funds (\$ 8 121 641) and of the advance from the Working Capital Fund (\$ 4 632 071), the arrears then remaining (\$ 28 450 716), representing the budget surplus for 1996-1997 will, when received, be credited to casual income. At 31 December 1998, arrears of contributions amounting to \$ 29 746 574 remained outstanding for 1994-1995. After reimbursement of the outstanding advance of \$ 24 093 113 from the Working Capital Fund, the balance of \$ 5 653 461 will eventually be credited to casual income. At 31 December 1998, arrears of contributions amounting to \$ 2 287 699 remained outstanding for 1990-1991. After the reimbursement of the outstanding advance of \$ 2 274 816 from the Working Capital Fund, the balance of \$ 12 883 will eventually be credited to casual income.

The use of funds available in the Casual Income Account is determined by the Health Assembly. A summary of the position for the year 1998 is shown on the next page, followed by a comparative statement for the years 1995-1997 giving details of annual income and expenditure.

| | |
|--|--------------------------------|
| Balance at 1 January 1998 | 30 148 404 |
| Income | <u>20 064 817</u> ^a |
| Total funds available for the biennium | <u>50 213 221</u> |
| Less: Appropriated under resolutions | |
| Transfer for priority country programmes (resolution WHA48.32) | 10 000 000 |
| Exchange rate facility - Transfer to the 1998-1999 regular budget (resolution WHA50.25) .. | 635 547 |
| To help finance the 1998-1999 budget (resolution WHA50.25) | <u>16 256 760</u> |
| Total utilized for the biennium | <u>26 892 307</u> |
| Balance available at 31 December 1998 (Statement I.1) | <u><u>23 320 914</u></u> |

^a Includes exchange rate savings of \$ 2 504 838 transferred from the regular budget (resolution WHA50.25).

**COMPARATIVE STATEMENT OF CASUAL INCOME RECEIVED AND UTILIZED
1995, 1996, 1997 AND 1998**

(expressed in US dollars)

| | 1995 | 1996 | 1997 | 1998 |
|--|-------------------|-------------------|-------------------|-------------------|
| Cash balance available at 1 January from previous years | 24 622 419 | 19 702 262 | 29 467 019 | 30 148 404 |
| Income received | | | | |
| Exchange rate savings: | | | | |
| 1994-1995 regular budget (resolution WHA46.34) | 4 020 344 | - | - | - |
| 1996-1997 regular budget (resolution WHA48.32) | - | 5 731 673 | 17 534 427 | - |
| 1998-1999 regular budget (resolution WHA50.25) | - | - | - | 2 504 838 |
| Collection of arrears of contributions | 24 918 266 | 4 896 034 | 1 326 137 | 1 257 878 |
| Assessments on new Members | 105 956 | 72 012 | 38 106 | - |
| Assessments on formerly inactive Members | 3 000 000 | 66 240 | - | - |
| Interest earned | 7 179 620 | 2 814 400 | 3 891 640 | 1 663 927 |
| Refunds and rebates | 420 121 | 332 601 | 540 761 | 233 064 |
| Exchange differential | 536 310 | (509 661) | 644 648 | 213 595 |
| Sale of equipment and material | 186 359 | 138 764 | 120 040 | 92 157 |
| Savings on unliquidated obligations | 3 738 227 | 10 647 168 | 5 054 881 | 12 955 406 |
| Revenue from Swiss postal authorities | 11 810 | 396 029 | 11 996 | 450 |
| Revolving Sales Fund - Income from sale of WHO publications (net after deduction of costs of production, sales promotion and distribution) | 545 062 | - | 449 852 | 825 632 |
| Sale of capital assets (real property) | - | - | 214 035 | - |
| Underground parking operations: | | | | |
| Rental collected | 442 751 | 377 847 | 321 862 | 317 870 |
| Less: Garage security costs | - | (198 350) | - | - |
| Total - Income received | 45 104 826 | 24 764 757 | 30 148 385 | 20 064 817 |
| Total funds available for the year | 69 727 245 | 44 467 019 | 59 615 404 | 50 213 221 |
| Utilization of casual income available | | | | |
| Disbursements | | | | |
| Financing of regular budget | 10 947 000 | - | 12 617 000 | 16 256 760 |
| Appropriated for priority country programmes (resolution WHA48.32) | - | 10 000 000 | - | 10 000 000 |
| Appropriated for the financing of the WHO worldwide management information system (resolution WHA50.24) | - | - | 6 145 000 | - |
| Exchange rate facility: | | | | |
| Transfer to the 1994-1995 regular budget (resolution WHA46.34) | 23 468 731 | - | - | - |
| Transfer to the 1998-1999 regular budget (resolution WHA50.25) | - | - | - | 635 547 |
| Transfer to Working Capital Fund (resolution WHA47.20) | 7 918 252 | - | - | - |
| (resolution WHA48.21) | - | 5 000 000 | - | - |
| Transfer to Real Estate Fund | 7 691 000 | - | 10 705 000 | - |
| Total cash utilized for the year | 50 024 983 | 15 000 000 | 29 467 000 | 26 892 307 |
| Unobligated balance at 31 December | 19 702 262 | 29 467 019 | 30 148 404 | 23 320 914 |

SPECIAL ACCOUNT FOR SERVICING COSTS

as at 31 December 1998

(expressed in US dollars)

Under the authority vested in the Director-General under Financial Regulation 6.5 and as subsequently noted in resolution EB37.R26, 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, UNDP and UNFPA. Through the account, flexibility is provided in allowing these resources to be used by the Director-General in a manner which she may determine. Planned use of the Special Account is reflected in the Director-General's biennial programme budget and the status of the account is reported in the financial report.

Under resolution WHA25.3, amounts received from UNDP in reimbursement for support costs are credited to the account and are used towards financing the regular budget. Similarly, credits received from the United Nations Population Fund and other organizations and bodies of the United Nations system to cover support costs are passed to the account, in addition to funds received for these purposes in respect of activities financed from other extrabudgetary sources, including funds-in-trust arrangements with governments and other entities, and under the Voluntary Fund for Health Promotion. Also credited are interest earnings on the balances of funds in the Special Account. Income received in the account is reduced by the support costs credited by the Organization to sub-contracting agencies, to trust funds and to sub-accounts in the Voluntary Fund for Health Promotion, for contributions to jointly financed activities executed under these sources of funds.

In addition, rental income in respect of office accommodation at headquarters utilized by staff financed from extrabudgetary funds is accounted for within the Special Account for Servicing Costs. Against income are charged the maintenance costs of the office accommodation concerned.

In accordance with resolution WHA22.8, the costs of promotion of the sales of WHO publications and of staff exclusively engaged in sales are financed by the Revolving Sales Fund through the Special Account for Servicing Costs.

| | 1996-1997 | 1998 |
|---|--------------------|---------------------|
| Balance at 1 January 1996 and at 1 January 1998 | <u>71 493 063</u> | <u>89 446 873</u> |
| Income | | |
| Received from the United Nations Development Programme | 2 543 757 | 814 755 |
| Received from the United Nations Population Fund | 1 012 191 | 439 502 |
| Support costs of subcontracting agencies | 165 505 | (50 530) |
| Support costs of trust and voluntary funds | (596 490) | (134 091) |
| Received for programme support costs from: | | |
| Trust funds and other arrangements | 13 723 483 | 5 198 083 |
| Voluntary Fund for Health Promotion | 35 027 756 | 23 130 635 |
| Received for rental of office accommodation at headquarters from: | | |
| Trust funds and other arrangements | 1 925 404 | 962 871 |
| Voluntary Fund for Health Promotion | 989 949 | 840 343 |
| Transfer from Revolving Sales Fund | 6 050 000 | 2 955 000 |
| Interest | 7 026 760 | 4 225 680 |
| Total income | <u>67 868 315</u> | <u>38 382 248</u> |
| Total funds available | <u>139 361 378</u> | <u>127 829 121</u> |
| Transfer to regular budget income in accordance with: | | |
| Resolution WHA50.25 for 1998-1999 | 2 900 000 | - |
| Total transfer | <u>2 900 000</u> | <u>-</u> |
| | <u>136 461 378</u> | <u>127 829 121</u> |
| Expenditure * | | |
| Africa | 3 468 107 | 5 823 418 |
| The Americas | 170 676 | 2 802 286 |
| South-East Asia | 2 760 602 | 2 912 736 |
| Europe | 1 731 295 | 4 124 467 |
| Eastern Mediterranean | 1 194 301 | 1 418 878 |
| Western Pacific | 1 834 671 | 2 438 409 |
| Global and interregional activities | 30 176 462 | 33 681 151 |
| Cost and promotion of sales of WHO publications | 5 678 391 | 3 475 311 |
| Total expenditure | <u>47 014 505</u> | <u>56 676 656</u> |
| Balance at 31 December 1997 and at 31 December 1998 | <u>89 446 873</u> | <u>71 152 465 *</u> |

* Following established financial management policy, the unobligated balance of the Special Account at 31 December 1998 is retained to provide sufficient funds for requirements during the remainder of the current biennium and towards requirements in 2000-2001, to meet in part the costs of technical and non-technical support for activities financed from sources other than the regular budget, UNDP and UNFPA. These costs relate principally to global and regional established and continuing posts, common services, the costs of production and promotion of sales of WHO publications, and other planned requirements in the current biennium and the next. The planned disposition of the balance of funds at 31 December 1998 is as follows:

| | | |
|--|--|-------------------|
| Balance at 31 December 1998, as above | | 71 152 465 |
| Less: Earmarked towards technical and non-technical support activities in 1999 and 2000-2001 | | <u>71 152 465</u> |
| Unencumbered balance at 31 December 1998 | | <u>-</u> |

REAL ESTATE FUND

as at 31 December 1998

(expressed in US dollars)

This fund was established by the Twenty-third World Health Assembly in resolution WHA23.14, which at the same time disestablished the Revolving Fund for Real Estate Operations. The assets and liabilities of the Revolving Fund for Real Estate Operations were transferred to the Real Estate Fund.

The Real Estate Fund is 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), casual income appropriated to it by the Health Assembly, and interest earned on balances in the Fund.

The Fund is used to meet the costs of maintenance, repairs and alterations to houses leased to staff by the Organization; major repairs and alterations to the Organization's existing office buildings; the construction of buildings or extensions to existing buildings; and the acquisition of land which may be required.

| | | |
|--|----------------|---------------------------|
| Balance at 1 January 1998 | | 13 184 075 |
| Income | | |
| Casual income appropriated | - | |
| Rents collected | 118 348 | |
| Interest | <u>622 110</u> | <u>740 458</u> |
| | | 13 924 533 |
| Expenditure | | |
| Headquarters: | | |
| Renovation of the sub-basement at headquarters - resolution WHA48.22 | (7 112) | |
| Local Area Network (LAN) - resolution WHA48.22 | 436 858 | |
| Regional Office for Africa: | | |
| Maintenance operations, staff housing - resolution WHA23.14, para. 3(i) | 47 221 | |
| Replacement of the air-conditioning system for the computer room and print shop in the Regional Office - resolution WHA48.22 | 5 470 | |
| Replacement of the main passenger lift in the Regional Office - resolution WHA48.22 | 3 890 | |
| Regional Office for South-East Asia: | | |
| Addition of one floor at the Regional Office - resolution WHA45.9 | 367 | |
| Renovation and restructuring of the internal structure of the Regional Office - resolution WHA48.22 | 63 779 | |
| Regional Office for Europe: | | |
| Installation of an access control system at the Regional Office - resolution WHA46.22 | (1 380) | |
| Regional Office for the Eastern Mediterranean: | | |
| Construction of a new Regional Office in Cairo - resolution WHA50.11 | 9 587 659 | <u>10 136 752</u> |
| Balance at 31 December 1998 | | <u><u>3 787 781</u></u> * |

| | | |
|---|--|-----------------------|
| * Unencumbered balance of the Fund at 31 December 1998: | | |
| Balance as above | | 3 787 781 |
| Less: Earmarked for construction, maintenance and repair costs authorized but not yet obligated | | <u>2 807 448</u> |
| Unencumbered balance | | <u><u>980 333</u></u> |

**SPECIAL ACCOUNT FOR THE WHO RENEWAL FUND
as at 31 December 1998**

(expressed in US dollars)

The Special Account for the WHO Renewal Fund was established by the Director-General in accordance with Financial Regulations 6.5 and 6.6 to finance for a period of three years from 1998 the specific initiatives for change developed in WHO which are aimed toward a more unified, effective and responsive Organization.

| | | |
|---|---------------|-------------------------|
| Balance at 1 January 1998 | | <u>-</u> |
| Income | | |
| Contributions (extrabudgetary): | 2 728 885 | |
| Interest | <u>11 920</u> | <u>2 740 805</u> |
| | | 2 740 805 |
| Expenditure | | |
| Global Communications Network | 19 862 | |
| Information Technology Project | 91 550 | |
| Retreats of Executive Board and Cabinet | 19 777 | |
| Support for Health Reforms at Country level | 55 000 | |
| Meeting of WHO Country Representatives | <u>67 622</u> | <u>253 811</u> |
| Balance at 31 December 1998 | | <u><u>2 486 994</u></u> |

DEPOSITS AND SECURITIES
as at 31 December 1998

(expressed in US dollars)

Funds in currencies other than US dollars are accounted at their dollar equivalent based on the Organization's official rates of exchange. Deposits and securities are accounted at cost.

Deposits and securities held on behalf of the Organization, its special accounts and trust funds, including the various foundations administered by WHO.

Deposits

| | | |
|----------------------------|---------------|--------------------|
| in US dollars | 414 549 343 | |
| in French francs | 301 997 | |
| in Solomon Islands dollars | <u>62 893</u> | <u>414 914 233</u> |

Securities

| | | |
|--|-------------------|--------------------|
| Eurocommercial paper in US dollars | 35 064 299 | |
| Treasury bills, notes and bonds in US dollars | 183 005 962 | |
| Floating rate notes in US dollars | 3 994 450 | |
| Debentures of the World Bank and regional development banks in US dollars | 23 863 404 | |
| Debentures in US dollars | 96 682 566 | |
| Debentures in Swiss francs | <u>45 327 933</u> | <u>387 938 614</u> |

Total deposits and other liquid resources at 31 December 1998 802 852 847

GLOSSARY OF BUDGETARY AND FINANCIAL TERMS

- APPROPRIATION SECTIONS** - The parts of the appropriation resolution under which amounts are voted by the Health Assembly for specified purposes within the approved budget, and against which obligations may be incurred for those purposes up to the amounts voted or as revised by the Health Assembly, the Executive Board, or decision of the Director-General in accordance with established rules.
- BUDGET SURPLUS** - The difference between the effective working budget and the total obligations actually incurred for the financial period concerned, after taking into account the net effects of the operation of the exchange rate facility.
- BUDGETARY ASSESSMENTS AND CONTRIBUTIONS** - **ASSESSMENTS** are made against Member States on the basis of the United Nations scale of assessments, modified to take into account the different membership of WHO. After application of credits from the Tax Equalization Fund, the resulting net assessments, or **CONTRIBUTIONS**, are payable by Member States.
- DISBURSEMENTS** - Payments made against authorized obligations.
- EFFECTIVE WORKING BUDGET** - The effective working budget consists of those sections of the appropriation resolution against which the Director-General is authorized to incur obligations under appropriation sections 1 to 6.
- EXCHANGE RATE FACILITY** - This is the mechanism established in Financial Regulation 4.6, under which a charge may be generated against available casual income to finance the net additional costs to the regular budget resulting from differences between the WHO budgetary rates of exchange and the United Nations/WHO accounting rates of exchange prevailing during the financial period, in respect of the relationship between the US dollar and the currencies of the respective countries of location of the regional offices and headquarters. Similarly, any net savings resulting from more favourable accounting rates of exchange in relation to these currencies are transferred to casual income. The maximum net level of the facility to be made available for the financial period concerned is set by the Health Assembly in its appropriation resolution.
- EXPENDITURE** - Expenditure for a financial period is the sum of the disbursements and valid unliquidated obligations made against the appropriation/allocation of the period.
- EXTRABUDGETARY RESOURCES** - All resources, other than those of the regular budget, administered by the Organization.
- INCOME SURPLUS OR INCOME DEFICIT** - The difference between budgetary income actually collected in cash during the financial period and the total obligations incurred for that financial period, after taking into account the net effects of the operation of the exchange rate facility.
- OBLIGATIONS** - Encumbrances or undertakings established in accordance with Financial Regulation 4.2.
- UNLIQUIDATED OBLIGATIONS** - That part of obligations against which funds have not yet been disbursed.
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