



# WORLD HEALTH ORGANIZATION

FIFTY-FIFTH WORLD HEALTH ASSEMBLY  
Provisional agenda item 15.1

A55/25\*  
21 March 2002

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## **Financial Report and Audited Financial Statements for the period 1 January 2000 – 31 December 2001**

**and**

## **Report of the External Auditor to the World Health Assembly**

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\* Information on income received and expenditure incurred during 2000-2001 under extrabudgetary sources of funds is contained in the Annex (document A55/25 Add.1), which accompanies and forms part of the Financial Report for the biennium.

# Financial Report and Audited Financial Statements for the period 1 January 2000 – 31 December 2001

and

Report of the External Auditor to the World Health Assembly

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## Director-General's report

I am pleased, as Director-General, to present the Financial Report of WHO for the period 2000-2001, the first full biennium since I took office. I noted in my report for 1998-1999 that the Financial Report for that period provided an initial response to the Health Assembly's request for improved transparency and accountability. During the 2000-2001 financial period, this process has continued with, among other developments, the implementation of revised Financial Regulations and Financial Rules.

Several steps have been taken to simplify the way that budgetary and financial information is presented. The programme budget now provides an integrated expenditure plan, covering all sources of funding. The Financial Report for 2000-2001 reflects implementation of the programme budget 2000-2001, in accordance with the structure adopted in 1999. As a result, the two documents show the full financial picture of the Organization, instead of the several documents that were previously necessary.

The Report shows that:

- the significant increase in extrabudgetary funds for health flowing through WHO in 1998-1999 has been sustained in 2000-2001 reaching US\$1.5 billion;
- as decided by the Health Assembly, the regular budget has remained static, although receipt of 92% of assessed contributions was the highest over the past 16 years;
- investment in areas such as communicable diseases, (including malaria and tuberculosis), immunization (particularly eradication of poliomyelitis), and our work in health systems has considerably increased.

When I took office in 1998, I established the WHO Renewal Fund for three years to support specific initiatives for change. Generous support enabled us to continue to improve our global communications network and to invest in training staff to meet the demands of the new strategic focus, mission and objectives that will help us to achieve the goals of WHO.

Efforts made by Member States to pay assessed contributions including arrears are most encouraging. However, I remain concerned about the level of arrears. The reduction of US\$ 18 million in the total of US\$ 147 million masks an increase of US\$ 11 million in long-term arrears, which now stand at US\$ 82 million. We are actively working with Member States to find solutions for the payment of their arrears. I trust that new mechanisms within the Financial Regulations and the new procedure for special arrangements for payment will assist in this process.

The better level of payment of assessed contributions contributed to achieving a high rate of implementation of the regular budget, which has now reached 99%. A further contributing factor was the tighter discipline in the management of our expenditure that stemmed from the new Financial Regulations.

The increase in total financial resources available for health has resulted in a rise in the short-term liquidity held by the Organization. In view of this, I have reviewed and revised the investment framework and policies. More modern practices have been introduced that have resulted in an improved return on cash, despite difficult financial markets. This new approach includes a stronger emphasis on risk control and guidance from external advisers.

I am also pleased to report that the Euro was successfully introduced in our financial systems and the administration of benefits and entitlements for staff and retirees.

It has now become imperative that we replace our financial systems with modern systems that will improve the availability of information for our work, particularly at country level. The reforms in financial management that have already taken place provide a sound basis upon which we will be building the new systems in the next biennium and beyond.

I would like to express my appreciation to Member States and donors for their financial support and to all staff for their contribution to the financial outcome of the Organization.



Gro Harlem Brundtland, MD, MPH  
Director-General

Geneva, 19 March 2002

<i>Financial highlights</i>			
	1998-1999 US\$	2000-2001 US\$	% Increase
<b>Income</b>			
Total	2 200 million	2 700 million	23%
for WHO programme activities	1 800 million	2 300 million	28%
<b>Expenditure</b>			
Total	2 000 million	2 500 million	25%
for WHO programme activities	1 700 million	2 100 million	24%
<b>Regular budget</b> (assessed contributions):			
Appropriations	843 million	843 million	-
Unpaid assessments <sup>1</sup>	165 million	147 million	-11%
Long term arrears	71 million	82 million	15%
<b>Extrabudgetary resources</b> (Voluntary contributions):			
Total	931 million	1 450 million	56%
Voluntary Fund for Health Promotion	650 million	1 117 million	72%
United Nations programmes	90 million	93 million	3%
WHO trust funds	191 million	240 million	26%
<b>Liquidity</b> as at 31 December 2001			
- US\$ 57 million cash committed for the regular budget for 2000-2001			
- US\$ 35 million advance payments of assessed contributions for 2002-2003			
- significant increase in funds held for the Voluntary Fund for Health Promotion, UNAIDS and Staff Health Insurance Fund, which are not available for regular budget purposes			
- cash, deposits and securities increased to US\$ 1.4 billion.			
<sup>1</sup> shortfall in payments covered in part by Working Capital Fund and internal borrowing			

# **Audited Financial Statements and Schedules and Notes to the Accounts 2000-2001**

This part of the Financial Report presents the overall financial position of the Organization. The relevant statements and supporting schedules have been prepared in compliance with the requirements of the Financial Regulations, Financial Rules and the United Nations System Accounting Standards. The schedules provide background details and explanations in support of individual funds and special accounts administered by the Organization for the financial period 1 January 2000 – 31 December 2001. Where appropriate, comparative figures are provided in respect of the previous biennium. The financial statements and schedules are preceded by the Certification of Financial Statements, the Opinion of the External Auditor, the Statement of Objectives and Statement of Accounting Policies and are followed by Notes to the Accounts.

## Certification of Financial Statements

The appended statements, numbered I to IV, schedules 1 to 12 and notes to the accounts, are approved.



Hilary F. Wild  
Comptroller



Gro Harlem Brundtland, MD, MPH  
Director-General

19 March 2002

20 March 2002

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

Dear Sir/Madam

**LETTER OF TRANSMITTAL**

I have the honour to present to the Fifty-fifth World Health Assembly my Report and Opinion on the Financial Statements of the World Health Organization for the financial period 1 January 2000 to 31 December 2001.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'S A Fakie', with a stylized flourish at the end.

S A FAKIE  
EXTERNAL AUDITOR  
AUDITOR-GENERAL OF THE REPUBLIC OF SOUTH AFRICA



## Opinion of the External Auditor

To the World Health Assembly


We have audited the accompanying financial statements, comprising Statements I to IV, Schedules 1 to 12 and the supporting Notes of the World Health Organization for the financial period ended 31 December 2001. These financial statements are the responsibility of the Director-General. My responsibility is to express an opinion on these financial statements based on our audit.

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

In my opinion, these financial statements present fairly, in all respects, the financial position of the World Health Organization as at 31 December 2001 and the results of operations and cash flows for the period then ended in accordance with the stated accounting policies set out in the Statement of Accounting Policies, which were applied on a basis consistent with that of the preceding financial period.

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

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



S A Fakie  
External Auditor  
Auditor-General of the Republic of South Africa

Pretoria, Republic of South Africa  
20 March 2002

## **Statement of Objectives and Statement of Accounting Policies for the period 1 January 2000 – 31 December 2001**

### **I. Statement of Objectives**

1. The objective of the World Health Organization, in accordance with Article 1 of the Constitution, is the attainment by all peoples of the highest possible level of health.
2. The Fifty-second World Health Assembly (WHA52.20) appropriated an Effective Working Budget of US\$ 842.6 million for the financial period 2000-2001.
3. The overall programme budget for 2000-2001 proposed by the Director-General and adopted by the Fifty-second World Health Assembly in May 1999 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 are based upon the WHO Financial Regulations and Financial Rules, and, in so far as is not otherwise provided for in those Financial Regulations and Financial Rules, are also based on the United Nations System Accounting Standards (UNAS). The financial statements, accompanying notes and schedules are in accordance with the United Nations System Accounting Standards (UNAS) and drawn up in the formats stated therein.
5. The Fifty-third World Health Assembly in May 2000 approved revised Financial Regulations to enter into force on confirmation of new Financial Rules by the Executive Board in January 2001. The Executive Board confirmed the new Financial Rules at its 107<sup>th</sup> session and the new Financial Rules were noted at the Fifty-fourth Assembly in May 2001. The financial report for the biennium 2000-2001 is prepared on the basis of both the old and the new Financial Regulations and Financial Rules as applicable. Transitional arrangements in relation to Casual Income operated up to 31 December 2001.

#### ***Unit of account and general accounts presentation***

6. The financial statements, schedules, notes 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 rate of exchange prevailing for the month of 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 2002, the rates of exchange used were in all cases those prevailing for the month of December 2001.

*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. All other exchange differences are accounted for within casual income.

**Statement I**

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
All Sources of Funds  
for the Financial Period 2000-2001**

*(expressed in US dollars)*

	Reference	Regular Budget & Working Capital Fund (Schedule 2,3,4; Note 39)	Other WHO Funds (Statement I.1)	Voluntary Fund for Health Promotion (Schedule 6)	Trust Funds (Statement I.2, I.3, I.4)
<b>INCOME:</b>					
<i>Assessed contributions:</i>					
- For the effective working budget (2000-2001)	Notes 1,2	835 373 210	7 212 000		
- New and formerly inactive Members	Note 3		107 927		
<i>Total assessed contributions</i>		835 373 210	7 319 927		
<i>Voluntary contributions:</i>					
- WHO programme activities	Notes 4-6		561 169	1 076 320 476	234 535 731
- Non-WHO programme activities	Note 7				253 302 073
<i>Other income:</i>					
- Revenue-producing activities	Note 8		5 889 821		1 000 109
- Funds under inter-organization arrangements	Note 9				92 701 756
- Income from services rendered	Notes 10,11		106 145 864		
- Interest income : received and apportioned	Notes 12,13		46 643 268	40 445 780	26 806 499
- Interest income: accrued and unapportioned	Note 14				16 390 408
- Exchange rate facility	Note 15	(12 101 700)	12 101 700		
- Other	Note 16		(413 629)		98 034 800
<i>Total income</i>		823 271 510	178 248 120	1 116 766 256	722 771 376
<b>EXPENDITURE:</b>					
International health programme	Notes 17-19	820 393 035	86 839 717	945 089 191	324 257 880
Other purposes	Note 20		45 175 194		365 131 506
<i>Total expenditure</i>		820 393 035	132 014 911	945 089 191	689 389 386
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>		2 878 475	46 233 209	171 677 065	33 381 990
Provision for delays in the collection of assessed contributions		(64 321 035)			
Return to Members against assessed contributions	Note 26	(9 138 043)			
Payment of assessed contributions of prior years	Note 27	74 767 823	7 602 828		
Savings on unliquidated obligations of prior years	Note 28		12 811 621		8 925 119
Increase in Capital Assets					
Transfers between funds	Annex 1	34 295 161	(34 295 161)	(3 001 505)	3 001 505
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement III	38 482 381	32 352 497	168 675 560	45 308 614
<b>FUND BALANCES - 1 JANUARY 2000</b>	Statement II	(63 110 688)	219 971 037	275 090 500	336 152 839
<b>FUND BALANCES - 31 DECEMBER 2001</b>	Statement II	(24 628 307)	252 323 534	443 766 060	381 461 453

**Statement I** (continued)

Equity in Capital Assets (Note 34)	Sub-Totals	Eliminations (Statement I, Annex 2; Note 29)	Totals 2000-2001	1998-1999	
					<b>INCOME:</b>
					<i>Assessed contributions:</i>
	842 585 210		<b>842 585 210</b>	837 502 000	- For the effective working budget (2000-2001)
	107 927		<b>107 927</b>	48 280	- New and formerly inactive Members
	842 693 137		<b>842 693 137</b>	837 550 280	<i>Total assessed contributions</i>
					<i>Voluntary contributions:</i>
	1 311 417 376	(10 590 001)	<b>1 300 827 375</b>	803 412 064	- WHO programme activities
	253 302 073	(10 278 425)	<b>243 023 648</b>	207 995 540	- Non-WHO programme activities
					<i>Other income:</i>
	6 889 930		<b>6 889 930</b>	8 972 128	- Revenue-producing activities
	92 701 756		<b>92 701 756</b>	90 280 069	- Funds under inter-organization arrangements
	106 145 864	(88 828 525)	<b>17 317 339</b>	18 388 465	- Income from services rendered
	113 895 547		<b>113 895 547</b>	67 387 033	- Interest income : received and apportioned
	16 390 408		<b>16 390 408</b>	11 494 034	- Interest income : accrued and unapportioned
					- Exchange rate facility
	97 621 171		<b>97 621 171</b>	106 139 631	- Other
	2 841 057 262	(109 696 951)	<b>2 731 360 311</b>	2 151 619 244	<i>Total income</i>
					<b>EXPENDITURE:</b>
	2 176 579 823	(66 511 781)	<b>2 110 068 042</b>	1 663 069 529	International health programme
	410 306 700	(10 278 425)	<b>400 028 275</b>	314 458 436	Other purposes
	2 586 886 523	(76 790 206)	<b>2 510 096 317</b>	1 977 527 965	<i>Total expenditure</i>
	254 170 739	(32 906 745)	<b>221 263 994</b>	174 091 279	<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>
	(64 321 035)		<b>(64 321 035)</b>	(93 817 232)	Provision for delays in the collection of assessed contributions
	(9 138 043)		<b>(9 138 043)</b>	(16 256 760)	Return to Members against assessed contributions
	82 370 651		<b>82 370 651</b>	108 626 359	Payment of assessed contributions of prior years
	21 736 740		<b>21 736 740</b>	26 779 190	Savings on unliquidated obligations of prior years
2 099 842	2 099 842		<b>2 099 842</b>	9 618 284	Increase in Capital Assets
					Transfers between funds
	2 099 842	286 918 894	(32 906 745)	<b>254 012 149</b>	209 041 120 <b>TOTAL CHANGES IN FUND BALANCES</b>
	64 787 524	832 891 212	(13 664 871)	<b>819 226 341</b>	610 185 221 <b>FUND BALANCES - 1 JANUARY 2000</b>
66 887 366	1 119 810 106	(46 571 616)	<b>1 073 238 490</b>	819 226 341	<b>FUND BALANCES - 31 DECEMBER 2001</b>

**Statement I.1**

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Other WHO Funds  
for the Financial Period 2000-2001**

*(expressed in US dollars)*

	Reference	Casual Income Revenues (Schedule 5)	Appropriated for Priority Programmes	Holding Account (Statement I, Annex 1; Note 40)	Real Estate Fund (Schedule 8)	RFTLE* SAIDPP**	Revolving Sales Fund (Note 41)
<b>INCOME:</b>							
<i>Assessed contributions:</i>							
- For the effective working budget (2000-2001)	Note 2						
- New and formerly inactive Members	Note 3	107 927					
<i>Total assessed contributions</i>		107 927					
<i>Voluntary contributions:</i>							
- WHO programme activities	Note 4						
<i>Other income:</i>							
- Revenue-producing activities	Note 8				26 533	150 000	5 260 628
- Income from services rendered	Notes 10,11						
- Interest income	Notes 12,13	28 859 483			454 980	3 290	
- Exchange rate facility	Note 15	12 101 700					
- Other	Note 16	(413 629)					
<i>Total income</i>		40 655 481			481 513	153 290	5 260 628
<b>EXPENDITURE:</b>							
International health programme	Notes 17-19		15 209 074			150 000	1 040 267
Other purposes	Note 20				6 487 182		
<i>Total expenditure</i>			15 209 074		6 487 182	150 000	1 040 267
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>							
		40 655 481	(15 209 074)		(6 005 669)	3 290	4 220 361
Payment of assessed contributions of prior years	Note 27	7 602 828					
Savings on unliquidated obligations	Note 28	12 811 621					
Transfers between funds	Annex 1	(41 880 842)	15 000 000	(11 625 391)	4 831 433		(4 220 361)
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I	19 189 088	(209 074)	(11 625 391)	(1 174 236)	3 290	
<b>FUND BALANCES - 1 JANUARY 2000</b>	Statement II	24 825 513	3 847 448	25 020 914	1 731 678	400 000	500 000
<b>FUND BALANCES - 31 DECEMBER 2001</b>	Statement II	44 014 601	3 638 374	13 395 523	557 442	403 290	500 000

\* RFTLE: *Revolving Fund for Teaching and Laboratory Equipment*

\*\* SAIDPP: *Special Account for Income Derived from Patent Policy*

**Statement I.1** (continued)

Special Account for Concessions at Headquarters (Note 42)	Special Account for the WHO Renewal Fund (Schedule 12)	Special Account for Servicing Costs (Schedule 7)	Tax Equalization Fund (Note 2)	Terminal Payments Account (Schedule 10)	Totals		
					2000-2001	1998-1999	
<b>INCOME:</b>							
<i>Assessed contributions:</i>							
			7 212 000		<b>7 212 000</b>	10 365 000	- For the effective working budget (2000-2001)
					<b>107 927</b>	48 280	- New and formerly inactive Members
			7 212 000		<b>7 319 927</b>	10 413 280	<i>Total assessed contributions</i>
<i>Voluntary contributions:</i>							
	561 169				<b>561 169</b>	6 059 352	- WHO programme activities
<i>Other income:</i>							
452 660					<b>5 889 821</b>	8 800 874	- Revenue-producing activities
		88 828 525		17 317 339	<b>106 145 864</b>	81 024 150	- Income from services rendered
350 920	184 020	11 396 830		5 393 745	<b>46 643 268</b>	21 921 452	- Interest income
					<b>12 101 700</b>	5 232 900	- Exchange rate facility
					<b>(413 629)</b>	340 304	- Other
803 580	745 189	100 225 355	7 212 000	22 711 084	<b>178 248 120</b>	133 792 312	<i>Total income</i>
<b>EXPENDITURE:</b>							
	2 654 637	67 785 739			<b>86 839 717</b>	77 369 868	International health programme
415 706			6 502 830	31 769 476	<b>45 175 194</b>	31 628 271	Other purposes
415 706	2 654 637	67 785 739	6 502 830	31 769 476	<b>132 014 911</b>	108 998 139	<i>Total expenditure</i>
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>							
387 874	(1 909 448)	32 439 616	709 170	(9 058 392)	<b>46 233 209</b>	24 794 173	
					<b>7 602 828</b>	10 298 723	Payment of assessed contributions of prior years
					<b>12 811 621</b>	17 732 008	Savings on unliquidated obligations
		3 600 000			<b>(34 295 161)</b>	(31 773 760)	Transfers between funds
387 874	(1 909 448)	36 039 616	709 170	(9 058 392)	<b>32 352 497</b>	21 051 144	<b>TOTAL CHANGES IN FUND BALANCES</b>
3 443 029	1 909 448	104 757 266	5 898 440	47 637 301	<b>219 971 037</b>	198 919 893	<b>FUND BALANCES - 1 JANUARY 2000</b>
3 830 903		140 796 882	6 607 610	38 578 909	<b>252 323 534</b>	219 971 037	<b>FUND BALANCES - 31 DECEMBER 2001</b>

**Statement I.2**

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Trust Funds – Inter-organization Arrangements  
for the Financial Period 2000-2001**

*(expressed in US dollars)*

	Reference	Technical Cooperation			
		UN Development Programme	UN Population Fund	UN Environment Programme	UN Drug Control Programme
<b>INCOME:</b>					
<i>Other income:</i>					
- Funds under inter-organization arrangements	Note 9	9 308 852	8 184 000	285 000	634 450
- Interest income	Note 12				
- Other		23 921	(989)		
<i>Total income</i>		9 332 773	8 183 011	285 000	634 450
<b>EXPENDITURE:</b>					
International health programme	Notes 17-19	3 882 339	10 785 101	478 607	1 015 964
<i>Total expenditure</i>		3 882 339	10 785 101	478 607	1 015 964
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
		5 450 434	(2 602 090)	(193 607)	(381 514)
Savings on unliquidated obligations	Note 28	472 956	44 980	32 123	13 035
Transfers between funds					
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I	5 923 390	(2 557 110)	(161 484)	(368 479)
<b>FUND BALANCES - 1 JANUARY 2000</b>	Statement II	(1 268 897)	(230 766)	(20 621)	(170 804)
<b>FUND BALANCES - 31 DECEMBER 2001</b>	Statement II	4 654 493	(2 787 876)	(182 105)	(539 283)



**Statement I.2** (continued)

<u>Technical Cooperation</u>	<u>Supply Services</u>	<u>Totals</u>		
<u>Other UN Funds</u>	<u>Other UN Organizations (Schedule 11)</u>	<u>Inter-organization arrangements 2000-2001</u>	<u>1998-1999</u>	
<b>INCOME:</b>				
				<i>Other income:</i>
2 706 797	71 582 657	<b>92 701 756</b>	90 280 069	- Funds under inter-organization arrangements
20 090	254 160	<b>274 250</b>	11 230	- Interest income
	(251 699)	<b>(228 767)</b>	(54 691)	- Other
<b>2 726 887</b>	<b>71 585 118</b>	<b>92 747 239</b>	<b>90 236 608</b>	<i>Total income</i>
<b>EXPENDITURE:</b>				
2 313 829	71 023 099	<b>89 498 939</b>	86 955 859	International health programme
<b>2 313 829</b>	<b>71 023 099</b>	<b>89 498 939</b>	<b>86 955 859</b>	<i>Total expenditure</i>
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>				
413 058	562 019	<b>3 248 300</b>	3 280 749	
		<b>563 094</b>	420 867	Savings on unliquidated obligations
40 186		<b>40 186</b>		Transfers between funds
453 244	562 019	<b>3 851 580</b>	3 701 616	<b>TOTAL CHANGES IN FUND BALANCES</b>
978 049	793 699	<b>80 660</b>	(3 620 956)	<b>FUND BALANCES - 1 JANUARY 2000</b>
<b>1 431 293</b>	<b>1 355 718</b>	<b>3 932 240</b>	<b>80 660</b>	<b>FUND BALANCES - 31 DECEMBER 2001</b>

*Statement I.3*

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Trust Funds – WHO Programme Activities  
for the Financial Period 2000-2001**

*(expressed in US dollars)*

	Reference	Technical Cooperation				Trust Fund for the Special Programme for Research and Training in Tropical Diseases
		Global Programme on AIDS	Onchocerciasis Control Programme	African Programme for Onchocerciasis Control	Sasakawa Health Trust Fund	
<b>INCOME:</b>						
<i>Voluntary contributions:</i>						
- WHO programme activities	Note 4		26 600 000	18 000 000	11 865 100	57 160 321
<i>Other income:</i>						
- Revenue-producing activities			116 419	364		18 111
- Interest income	Notes 12,13	250 740	74 290	678 920	1 118 490	1 959 390
- Other			166 561	259 899	(4 111)	(1 118 605)
<i>Total income</i>		250 740	26 957 270	18 939 183	12 979 479	58 019 217
<b>EXPENDITURE:</b>						
International health programme	Notes 17-19	(1 073 098)	27 821 489	18 417 687	10 702 956	59 194 998
<i>Total expenditure</i>		(1 073 098)	27 821 489	18 417 687	10 702 956	59 194 998
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>						
		1 323 838	(864 219)	521 496	2 276 523	(1 175 781)
Savings on unliquidated obligations	Note 28		1 795 182	2 230 077	165 061	823 838
Transfers between funds	Annex 1	(4 379 138)			(1 000 000)	250 000
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I	(3 055 300)	930 963	2 751 573	1 441 584	(101 943)
<b>FUND BALANCES - 1 JANUARY 2000</b>	Statement II	3 279 049	(1 559 284)	(4 334 624)	7 826 173	7 488 853
<b>FUND BALANCES - 31 DECEMBER 2001</b>	Statement II	223 749	(628 321)	(1 583 051)	9 267 757	7 386 910

**Statement I.3** (continued)

<u>Technical Cooperation</u>				<u>Supply Services</u>		
Trust fund for the UNDP/UNFPA/WHO/ World Bank Special Programme of Research, Development and Research Training in Human Reproduction	Associate Professional Officers	Other Technical Cooperation funds	National Health Services and Institutions	Totals Technical Cooperation and Supply Services 2000-2001    1998-1999		
<b>INCOME:</b>						
29 986 205	7 189 809	73 126 717	10 607 579	<b>234 535 731</b>	186 115 098	<i>Voluntary contributions:</i> - WHO programme activities
865 215				<b>1 000 109</b>	171 254	<i>Other income:</i> - Revenue-producing activities
911 480	202 070	132 840	254 160	<b>5 582 380</b>	4 259 351	- Interest income
				<b>(696 256)</b>		- Other
<b>31 762 900</b>	<b>7 391 879</b>	<b>73 259 557</b>	<b>10 861 739</b>	<b>240 421 964</b>	<b>190 545 703</b>	<i>Total income</i>
<b>EXPENDITURE:</b>						
28 010 533	6 571 366	74 448 679	10 664 331	<b>234 758 941</b>	189 694 327	International health programme
<b>28 010 533</b>	<b>6 571 366</b>	<b>74 448 679</b>	<b>10 664 331</b>	<b>234 758 941</b>	189 694 327	<i>Total expenditure</i>
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>						
3 752 367	820 513	(1 189 122)	197 408	<b>5 663 023</b>	851 376	
40 009				<b>5 054 167</b>	3 568 220	Savings on unliquidated obligations
5 788 441		85 554	26 893	<b>771 750</b>	(5 350 000)	Transfers between funds
<b>9 580 817</b>	<b>820 513</b>	<b>(1 103 568)</b>	<b>224 301</b>	<b>11 488 940</b>	<b>(930 404)</b>	<b>TOTAL CHANGES IN FUND BALANCES</b>
	<b>2 706 747</b>	<b>19 929 935</b>	<b>2 892 182</b>	<b>38 229 031</b>	<b>39 159 435</b>	<b>FUND BALANCES - 1 JANUARY 2000</b>
<b>9 580 817</b>	<b>3 527 260</b>	<b>18 826 367</b>	<b>3 116 483</b>	<b>49 717 971</b>	<b>38 229 031</b>	<b>FUND BALANCES - 31 DECEMBER 2001</b>

**Statement I.4**

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Other Trust Funds and Associated Entities  
for the Financial Period 2000-2001**

*(expressed in US dollars)*

Reference	Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS) (Notes 20,38)	International Agency for Research on Cancer (Note 20)	International Computing Centre (Note 20)	Staff Health Insurance (Notes 20,21)
<b>INCOME:</b>				
<i>Voluntary contributions:</i>				
- Non-WHO programme activities	183 040 149	62 122 665		
<i>Other income:</i>				
- Interest income: received and apportioned    Notes 12,13	9 736 640			22 142 095
- Interest income: accrued and unapportioned				
- Other	928		32 683 512	66 263 491
<i>Total income</i>	192 777 717	62 122 665	32 683 512	88 405 586
<b>EXPENDITURE:</b>				
Other purposes	217 709 253	56 167 281	30 379 893	52 865 036
<i>Total expenditure</i>	217 709 253	56 167 281	30 379 893	52 865 036
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>				
	(24 931 536)	5 955 384	2 303 619	35 540 550
Savings on unliquidated obligations            Note 28	3 307 858			
Transfers between funds                            Annex 1	2 189 569			
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I (19 434 109)	5 955 384	2 303 619	35 540 550
<b>FUND BALANCES - 1 JANUARY 2000</b>	Statement II 76 058 736	14 786 176	1 369 087	187 959 568
<b>FUND BALANCES - 31 DECEMBER 2001</b>	Statement II 56 624 627	20 741 560	3 672 706	223 500 118

**Statement I.4** (continued)

Other funds (Notes 22-24)	Foundations (Notes 20, 25)	Interest Accrued- Unapportioned (Note 14)	Totals Trust Funds Non-WHO programme activities		
			2000-2001	1998-1999	
<b>INCOME:</b>					
<i>Voluntary contributions:</i>					
8 139 259			<b>253 302 073</b>	207 995 540	- Non-WHO programme activities
<i>Other income:</i>					
301 190	263 978	(11 494 034)	<b>20 949 869</b>	18 310 450	- Interest income: received and apportioned
		16 390 408	<b>16 390 408</b>	11 494 034	- Interest income: accrued and unapportioned
	11 892		<b>98 959 823</b>	105 854 018	- Other
<b>8 440 449</b>	<b>275 870</b>	<b>4 896 374</b>	<b>389 602 173</b>	<b>343 654 042</b>	<i>Total income</i>
<b>EXPENDITURE:</b>					
7 868 168	141 875		<b>365 131 506</b>	282 830 165	Other purposes
<b>7 868 168</b>	<b>141 875</b>		<b>365 131 506</b>	<b>282 830 165</b>	<i>Total expenditure</i>
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
572 281	133 995	4 896 374	<b>24 470 667</b>	60 823 877	
			<b>3 307 858</b>	5 058 095	Savings on unliquidated obligations
			<b>2 189 569</b>	5 000 000	Transfers between funds
572 281	133 995	4 896 374	<b>29 968 094</b>	70 881 972	<b>TOTAL CHANGES IN FUND BALANCES</b>
4 168 733	2 006 814	11 494 034	<b>297 843 148</b>	226 961 176	<b>FUND BALANCES - 1 JANUARY 2000</b>
<b>4 741 014</b>	<b>2 140 809</b>	<b>16 390 408</b>	<b>327 811 242</b>	<b>297 843 148</b>	<b>FUND BALANCES - 31 DECEMBER 2001</b>

**Statement I, Annex 1**

**Transfers Between Funds**  
**Inter-fund transfers made during the Financial Period 2000-2001**

*(expressed in US dollars)*

Reference	Regular Budget & Working Capital Fund	Casual Income Revenues	Casual Income Appropriated for Priority Programmes	Holding Account	Real Estate Fund	Revolving Sales Fund	Special Account for Servicing Costs
Appropriated for the effective working budget, 2000-2001 (resolution WHA52.20)	(10 020 914)		(15 000 000)	25 020 914			
Appropriated for the effective working budget, 2002-2003 (resolutions WHA53.5, WHA54.8 and WHA54.20) Schedules 5,7	(6 372 696)	19 268 219		(13 395 523)			500 000
Transfer to the Working Capital Fund (resolutions WHA53.5 and WHA54.8) Schedule 5	(17 901 551)	17 901 551					
Appropriated for Real Estate Fund (resolutions WHA53.4 and WHA54.7) Schedules 5,8		4 831 433			(4 831 433)		
To cover costs of production and sales promotion of WHO publications for 2002 (resolution WHA22.8)						4 100 000	(4 100 000)
Surplus funds at 31 December 2001 to casual income (resolution WHA22.8) Schedule 5		(120 361)				120 361	
Other programme transfers							
<b>Total</b>	<b>(34 295 161)</b>	<b>41 880 842</b>	<b>(15 000 000)</b>	<b>11 625 391</b>	<b>(4 831 433)</b>	<b>4 220 361</b>	<b>(3 600 000)</b>

These transfers between Funds were made to implement decisions by the Health Assembly and other programme transfers are in accordance with established accounting practices.

*Statement I, Annex 1* (continued)

Voluntary Fund for Health Promotion	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	HRP*	Other Technical Cooperation Funds	National Health Services and Institutions	Other UN Funds	Global Programme on AIDS	Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	Sasakawa Health Trust Fund	
									Appropriated for the effective working budget, 2000-2001 (resolution WHA52.20)
									Appropriated for the effective working budget, 2002-2003 (resolutions WHA53.5, WHA54.8 and WHA54.20)
									Transfer to the Working Capital Fund (resolutions WHA53.5 and WHA54.8)
									Appropriated for Real Estate Fund (resolutions WHA53.4 and WHA54.7)
									To cover costs of production and sales promotion of WHO publications for 2002 (resolution WHA22.8)
									Surplus funds at 31 December 2001 to casual income (resolution WHA22.8)
3 001 505	(250 000)	(5 788 441)	(85 554)	(26 893)	(40 186)	4 379 138	(2 189 569)	1 000 000	Other programme transfers
3 001 505	(250 000)	(5 788 441)	(85 554)	(26 893)	(40 186)	4 379 138	(2 189 569)	1 000 000	<b>Total</b>

\* Trust fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction.





**Statement I, Annex 2****Eliminations  
for the Financial Period 2000-2001***(expressed in US dollars)*

1. During 2000-2001 income has been transferred between funds, thus giving rise to a situation where that income and the related expenditure is accounted for twice. To reflect the net costs of programme delivery it is necessary to eliminate the double effect of these transfers.

<b>Originating Fund</b>	<b>Receiving Fund</b>	<b>Income</b>	<b>Expenditure</b>
<i>Regular Budget</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	2 060 240	2 060 240
	Onchocerciasis Control Programme	500 000	500 000
	African Programme for Onchocerciasis Control	100 000	100 000
<i>United Nations Development Programme</i>	Voluntary Fund for Health Promotion	25 000	25 000
	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	500 000	500 000
<i>United Nations Population Fund</i>	Trust fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction	3 000 000	3 000 000
<i>African Programme for Onchocerciasis Control</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	900 000	900 000
<i>Onchocerciasis Control Programme</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	460 976	460 976
<i>Voluntary Fund for Health Promotion</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	2 488 785	2 488 785
<i>UNAIDS</i>	Trust fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction	555 000	555 000
	Voluntary Fund for Health Promotion	10 278 425	10 278 425 <sup>a/</sup>
		<u>20 868 426</u>	<u>20 868 426</u>

These transfers are shown 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 headings, "International health programme", and "Other purposes".

2. It is also necessary to eliminate the double accounting of programme support costs (PSC) on income and expenditure. PSC are recorded both as income and expenditure in both the Voluntary Fund for Health Promotion and in the Special Account for Servicing Costs.

<i>Income from services rendered</i>	Programme support costs received	88 828 525	
<i>Expenditure - International health programme</i>	Programme support costs charged against extra-budgetary funded activities		55 921 780
<b>Total</b>		<u>109 696 951</u>	<u>76 790 206</u> <sup>b/</sup>

- a/ The income and expenditure of \$ 10 278 425 transferred from UNAIDS to the Voluntary Fund for Health Promotion are eliminated respectively from Non-WHO programme activities and Other purposes in Statement I.

- b/ The difference between the income and expenditure eliminations of \$ 32 906 745 arises out of timing differences and is accounted for in the Special Account for Servicing Costs balance in Schedule 7. Programme support costs earned in a biennium are not available for expenditure until the following biennium.



*Statement II* (continued)

	Reference	2001	1999
<b>LIABILITIES AND FUND BALANCES</b> (continued)			
<b>Fund Balances</b>			
<b>Trust funds</b>			
Technical cooperation and supply services funds	Statement I.2; I.3	53 650 211	38 309 691
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	Statement I.4	56 624 627	76 058 736
International Agency for Research on Cancer	Statement I.4	20 741 560	14 786 176
International Computing Centre (ICC)	Statement I.4	3 672 706	1 369 087
Staff Health Insurance, Foundations and other trust funds	Statement I.4	230 381 941	194 135 115
Interest accrued and unapportioned	Statement I.4	16 390 408	11 494 034
<i>Total trust funds</i>		<b>381 461 453</b>	<b>336 152 839</b>
<b>Voluntary Fund for Health Promotion</b>	Statement I	<b>443 766 060</b>	<b>275 090 500</b>
<b>Regular Budget and Working Capital Fund</b>			
Advances secured against other WHO funds	Statement I	(24 628 307)	(63 110 688)
<b>Other WHO funds</b>			
Casual Income Account	Statement I.1	47 652 975	28 672 961
Holding Account	Statement I.1	13 395 523	25 020 914
Real Estate Fund	Statement I.1	557 442	1 731 678
RFTLE* and SAIDPP**	Statement I.1	403 290	400 000
Revolving Sales Fund	Statement I.1	500 000	500 000
Special Account for Operation of Concessions at Headquarters	Statement I.1	3 830 903	3 443 029
Special Account for the WHO Renewal Fund	Statement I.1		1 909 448
Special Account for Servicing Costs	Statement I.1	140 796 882	104 757 266
Tax Equalization Fund	Statement I.1	6 607 610	5 898 440
Terminal Payments Account	Statement I.1	38 578 909	47 637 301
<i>Total other WHO funds</i>		<b>252 323 534</b>	<b>219 971 037</b>
<b>Members' equity in capital assets</b>	Statement I	<b>66 887 366</b>	<b>64 787 524</b>
<i>Total fund balances</i>		<b>1 119 810 106</b>	<b>832 891 212</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>1 544 098 667</b>	<b>1 165 271 023</b>

\* RFTLE: *Revolving Fund for Teaching and Laboratory Equipment*\*\* SAIDPP: *Special Account for Income Derived from Patent Policy*



*Statement III***Statement of Cash Flow  
for the Financial Period 2000-2001***(expressed in US dollars)*

	<b>2000-2001</b>	1998-1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total changes in fund balances (Statement I)	<b>254 012 149</b>	209 041 120
(Increase)/decrease in accounts receivable - sundry debtors	<b>(8 163 741)</b>	(5 632 527)
(Increase)/decrease in prepaid expenses	<b>(1 299 874)</b>	212 469
(Increase)/decrease in interest accrued and unapportioned	<b>(4 896 374)</b>	(5 164 801)
Increase/(decrease) in contributions received in advance	<b>(6 943 283)</b>	21 260 412
Increase/(decrease) in unliquidated obligations	<b>93 748 492</b>	37 063 154
Increase/(decrease) in accounts payable and deferred income	<b>5 103 541</b>	16 438 004
Less: Interest income	<b>(113 895 547)</b>	(67 387 033)
Savings on unliquidated obligations of prior years	<b>(21 736 740)</b>	(26 779 190)
Net eliminations of programme support costs (Statement I)	<b>32 906 745</b>	13 664 871
<i>Net cash from operating activities</i>	<b><u>228 835 368</u></b>	<u>192 716 479</u>
<b>CASH FLOWS FROM INVESTING AND FINANCIAL ACTIVITIES</b>		
(Increase)/decrease in deposits and securities	<b>(284 800 365)</b>	(260 277 929)
Plus: Interest income	<b>113 895 547</b>	67 387 033
<i>Net cash from investing and financial activities</i>	<b><u>(170 904 818)</u></b>	<u>(192 890 896)</u>
<b>CASH FLOWS FROM OTHER SOURCES</b>		
(Increase)/decrease in land and buildings	<b>(2 099 842)</b>	(9 618 284)
Savings on unliquidated obligations of prior years	<b>21 736 740</b>	26 779 190
<i>Net cash from other sources</i>	<b><u>19 636 898</u></b>	<u>17 160 906</u>
<b>NET INCREASE IN CASH</b>	<b><u>77 567 448</u></b>	<u>16 986 489</u>
<b>CASH AS AT 1 JANUARY 2000 AND 1998</b>	<b><u>52 613 523</u></b>	<u>35 627 034</u>
<b>CASH AS AT 31 DECEMBER 2001 AND 1999</b>	<b><u>130 180 971</u></b>	<u>52 613 523</u>

*Statement IV*

**Statement of Appropriations for the Financial Period 2000-2001**

(expressed in US dollars)

Appropriation section	Amounts approved by resolutions WHA52.20 and EB105.R5	Transfers between sections made by the Director-General (Note 47)	Transfers between sections as % of approved appropriations	Exchange rate facility: net transfers to casual income <sup>a/</sup> (resolution WHA52.20)
	(1)	(2)	(3)	(4)
1. Communicable diseases	52 227 000	(2 635 300)	(5.05)	(686 700)
2. Noncommunicable diseases	14 838 000	3 062 000	20.64	(205 200)
3. Family and community health	21 265 000	9 045 200	42.54	(611 300)
4. Sustainable development and healthy environments	48 756 000	3 737 000	7.66	(792 700)
5. Social change and mental health	21 181 000	1 967 760	9.29	(300 800)
6. Health technology and pharmaceuticals	33 082 000	3 229 400	9.76	(497 500)
7. Evidence and information for policy	97 446 000	(4 851 760)	(4.98)	(1 408 000)
8. External relations and governing bodies	50 209 000	(4 237 100)	(8.44)	(1 040 200)
9. General management	144 281 000	1 017 300	0.71	(6 288 100)
10. Director-General, Regional Directors and independent functions	27 586 000	(2 758 500)	(10.00)	(271 200)
11. Country programmes	331 783 000	(7 576 000)	(2.28)	
<b>EFFECTIVE WORKING BUDGET</b>	<b>842 654 000</b>			<b>(12 101 700)</b>
Less:				
Adjustment to Appropriations (resolution WHA 54.9)	(25 230)			
<b>TOTAL EFFECTIVE WORKING BUDGET</b>	<b>842 628 770</b>			<b>(12 101 700)</b>
12. Transfer to Tax Equalization Fund	80 000 000			
<b>TOTAL</b>	<b>922 628 770</b>			<b>(12 101 700)</b>

a/ Effective appropriations for 2000-2001 (column 5) take into account the net transfers during the biennium to the Casual Income Account required to cover the effects to 31 December 2001 of favourable United Nations/WHO accounting rates of exchange against the US dollar (column 4), in respect of the currencies of the countries of location of headquarters and the regional offices, excluding the Regional Office for Africa, in terms of the exchange rate facility under the Financial Regulations and as authorized under resolution WHA52.20. The operation of the facility during 2000-2001 comprised transfers to casual income in respect of savings from more favourable rates of exchange for all currencies during the biennium.

b/ Including contributions from the regular budget of \$ 2 060 240 to the Trust Fund for the Special Programme for Research and Training in Tropical Diseases, of \$ 500 000 to the Onchocerciasis Programme and of \$ 100 000 to the African Programme for Onchocerciasis Control.

*Statement IV* (continued)

Effective appropriations <sup>a/</sup>	Expenditure <sup>b/</sup>	Unobligated balance of appropriations	Appropriation section
(5)	(6)	(7)	
48 905 000	48 539 675	365 325	1. Communicable diseases
17 694 800	17 542 540	152 260	2. Noncommunicable diseases
29 698 900	29 169 252	529 648	3. Family and community health
51 700 300	51 374 958	325 342	4. Sustainable development and healthy environments
22 847 960	22 714 632	133 328	5. Social change and mental health
35 813 900	35 709 970	103 930	6. Health technology and pharmaceuticals
91 186 240	90 346 576	839 664	7. Evidence and information for policy
44 931 700	43 095 171	1 836 529	8. External relations and governing bodies
139 010 200	136 971 365	2 038 835	9. General management
24 556 300	23 747 089	809 211	10. Director-General, Regional Directors and independent functions
324 207 000	321 181 807	3 025 193	11. Country programmes
830 552 300	820 393 035	10 159 265	EFFECTIVE WORKING BUDGET
			LESS:
(25 230)		(25 230)	Adjustment to Appropriations (resolution WHA 54.9)
<b>830 527 070</b>	<b>820 393 035</b>	<b>10 134 035</b>	<b>TOTAL EFFECTIVE WORKING BUDGET</b>
80 000 000	80 000 000		12. Transfer to Tax Equalization Fund
910 527 070	900 393 035	10 134 035	TOTAL

## Notes to the Accounts

### Income

#### Assessed Contributions

- Income from assessed contributions of Members and Associate Members for the effective working budget 2000-2001 is recorded when it is due, i.e., on an accrual basis. Pending receipt of assessed contributions, implementation of the regular budget may be financed from the Working Capital Fund and thereafter by internal borrowing against available cash reserves of the Organization excluding Trust Funds. A provision is established for delays in collection of contributions amounting to 100% of the assessed contributions which remained outstanding at 31 December 2001 against such income. The total amount of the provision corresponds to the total assessed contributions outstanding for Members as reflected in Schedule 3. When outstanding assessed contributions are paid in subsequent financial periods the amounts are credited first against any internal borrowing outstanding and secondly against any borrowing from the Working Capital Fund.
- In accordance with Health Assembly resolution WHA21.10 under which the Tax Equalization Fund was established, the assessed contributions of all Members are reduced by the income generated by the staff income tax assessment plan. For those Members which levy income tax on the income their nationals receive from WHO, the credit from the staff assessment plan is reduced by the estimated income tax to be reimbursed by the Organization to the staff concerned. In determining the reduction of assessed contribution to be applied to the Members concerned, the Tax Equalization Fund is credited with the revenue from the staff income tax assessment, the credits being recorded in the name of individual Members in proportion to their assessments for the financial period concerned. In 2000-2001, income credited to the Tax Equalization Fund is derived as follows:

	1998-1999	2000-2001
	US\$	US\$
Staff Assessment (Statement IV, Appropriation Section 12)	80 000 000	<b>80 000 000</b>
<b>Less:</b> Credits to Members	<u>69 635 000</u>	<u><b>72 788 000</b></u>
Statement I.1	<u>10 365 000</u>	<u><b>7 212 000</b></u>

- Income from assessed contributions of new and formerly inactive Members is subject to Financial Regulation 6.12. Such income is recorded on a cash basis, i.e., as received, and is credited to casual income.

#### Voluntary Contributions

- 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, the WHO Renewal Fund, the Onchocerciasis Control Programme, the African Programme for Onchocerciasis Control, the Sasakawa Health Trust Fund, the Trust Fund for the Special Programme for Research and Training in Tropical Diseases, the Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction, the Associate Professional Officers Programme, other Trust Funds for technical cooperation, and Supply Services funds.
- Following the Fifty-second World Health Assembly in May 1999, which was advised that a new structure would be proposed for the Voluntary Fund for Health Promotion (VFHP), the new structure was implemented on 1 January 2000. The Executive Board, at its 105<sup>th</sup> Session in January 2000 considered and noted the Report by the Secretariat (EB105/41) on the new VFHP structure and the Fifty-third World Health Assembly in May 2000 was informed of these changes.
- Contributions of goods or services in kind received by WHO are recorded both as income and expenditure in the Voluntary Fund for Health Promotion upon receipt of the goods or services at a fair value based on estimates provided by the donor. Total contributions of goods or services in kind in 2000-2001 amounted to \$ 214 981 139 (\$ 94 127 540 in 1998-1999).



7. 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 (SHI), foundations and associated accounts under administration by the Organization.

### ***Other Income***

#### ***Revenue-producing activities***

8. Revenues comprise staff house rents and rental from WHO regional travel agents which are credited to the Real Estate Fund; 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; and income from rights and royalties credited to the Special Account for Income Derived from Patent Policy. Income is recorded on a cash received basis.

#### ***Funds under inter-organization arrangements***

9. These represent cash drawings from the United Nations Development Programme, the United Nations Population Fund and other organizations and bodies of the United Nations system, 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. These funds also comprise remittances from the United Nations Office of the Iraq Programme under Security Council Resolution 986.

#### ***Income from services rendered***

10. This comprises income from programme support costs levied against programme expenditure under extrabudgetary financed activities.
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***

12. Interest received on funds invested on a pooled basis is apportioned monthly among these funds and other accounts which participate in the distribution, in proportion to their capital at the end of each month. Earnings on specific investments made for funds are credited directly to the funds concerned. Interest is adjusted by the exchange differential related to currency operations.
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 is taken up as a single receivable in the accounts and is reflected in a separate trust fund for unapportioned interest. Apportionment among the funds and other accounts concerned takes place only upon receipt of interest.

#### ***Exchange rate facility***

15. As authorized by the Health Assembly in resolution WHA52.20, the net use of the exchange rate facility in 2000-2001 amounted to transfers of \$ 12 101 700 from the regular budget to casual income, in respect of savings generated because the United Nations monthly accounting rates of exchange were more favourable than those set for the programme budget for the biennium.

**Other income - other WHO Funds**

16. This income includes:

	1998-1999	2000-2001
	US\$	US\$
Refunds and rebates	430 906	<b>870 136</b>
Exchange differential	(923 155)	<b>(2 030 381)</b>
Sale of equipment and material	189 515	<b>268 077</b>
Revenue from the Swiss Postal authorities	18 033	<b>3 913</b>
Underground parking operations	<u>625 005</u>	<u><b>474 626</b></u>
	<u>340 304</u>	<u><b>(413 629)</b></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 VI 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. Expenditure reported in the Financial Report for 2000-2001 is based upon obligations incurred.

19. 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 of extrabudgetary funding, and is reported against the expenditure line "International health programme".

20. Expenditure for non-WHO programme activities, or against funds or entities for which WHO has administrative responsibility or other relationship, is reported under the appropriate columnar heading against the expenditure line "Other purposes". The other WHO Funds (Statement I.1) and the other Trust Funds and Associated Entities (Statement I.4) concerned in respect of non-WHO programme activities include:

- Real Estate Fund
- Special Account for Operation of Concessions at Headquarters
- Tax Equalization Fund
- Terminal Payments Account
- Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)
- International Agency for Research on Cancer (IARC)
- International Computing Centre (ICC)
- Staff Health Insurance (SHI)
- Special Fund for Compensation
- Due to Estates of Deceased Staff Members
- Other Funds
- Foundations

**Staff health insurance**

21. 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 paid a special contribution to finance the actuarial deficit for retired staff which was identified following an actuarial study in 1989. The final payment due in this respect was made in 1999. As a measure to ensure adequate funding for future claims of retired staff, a fixed percentage (currently 25%) of active staff contributions is 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 2001, \$ 223 500 118, is comprised as follows:

	31 December 1999 US\$	<b>31 December 2001 US\$</b>
To meet statutory reserves:		
Settlement of outstanding claims (SHI rule 470.1)	8 396 708	<b>9 070 287</b>
Future costs of retired staff (SHI rule 470.2)*	143 302 000	<b>195 995 000</b>
Reserve for major claims and cost of reinsurance (SHI rule 470.3)	<u>36 260 860</u>	<u><b>18 434 831</b></u>
	<u>187 959 568</u>	<u><b>223 500 118</b></u>

\* The latest actuarial valuation estimates an Accumulated Post-Retirement Benefit Obligation (APBO) for retirees of \$ 224.5 million

**Other funds**

Other funds include the following:

**– Special fund for compensation**

22. This fund was set up by the Director-General under the Financial Regulations 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**

23. 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**

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

**Foundations**

25. These comprise foundations for which WHO holds funds in trust and is responsible for financial and administrative management. At 31 December 2001, they were:

- Léon Bernard Foundation
- Darling Foundation
- Dr A.T. Shousha Foundation
- Jacques Parisot Foundation
- Ihsan Dogramaci Family Foundation
- Dr Comlan A.A. Quenum Prize
- Francesco Pocchiari Fellowship
- United Arab Emirates Health Foundation
- Down Syndrome Research Prize in the Eastern Mediterranean Region.

**Return to Members of assessed contributions for current biennium**

26. Resolution WHA52.20 decided that the balance of casual income for 1998 remaining after meeting the provisions of the incentive scheme and the exchange rate facility be returned to Members to apply to their assessments in 2000. The balance of casual income remaining at 31 December 1998 was \$ 2 765 347. Similarly, Resolution WHA53.5 decided that the balance remaining in casual income at 31 December 1999, after all other applications, be returned to Members to apply to their assessments also in 2000. The balance of casual income remaining at 31 December 1999 was \$ 6 372 696. Accordingly a total of \$ 9 138 043 was returned to Members in 2000.

**Payment of assessed contributions of prior financial periods**

27. Arrears of assessed contributions collected in 2000-2001 in respect of prior financial periods and their disposition are detailed as follows:

Financial Period	Internal Borrowing	Working Capital Fund	Casual Income	Amount
	US\$	US\$	US\$	US\$
1978-1983	-	-	10 021	10 021
1984-1985	-	-	1 156	1 156
1986-1987	-	-	90	90
1988-1989	-	-	18 908	18 908
1990-1991	-	90 353	2 510	92 863
1992-1993	-	-	190 732	190 732
1994-1995	-	6 185 269	-	6 185 269
1996-1997	-	-	3 118 170	3 118 170
1998-1999	63 110 688	5 381 513	4 261 241	72 753 442
	<u>63 110 688</u>	<u>11 657 135</u>	<u>7 602 828</u>	<u>82 370 651</u>
	(Schedule 4)	(Schedule 4)	(Schedule 5)	(Schedule 3)

***Savings on liquidation of obligations of prior financial periods***

28. These relate to the settlement in 2000-2001 of unliquidated obligations of prior financial periods, and the net savings that had accrued when settlement took place, or when obligations 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 income account in the fund concerned. These funds and the income credited to each during the 2000-2001 biennium, 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 Afghanistan Emergency Trust Fund
- Onchocerciasis Control Programme
- African Programme for Onchocerciasis Control
- Trust Fund for the Special Programme for Research and Training in Tropical Diseases
- Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)
- Sasakawa Health Trust Fund
- Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction

Net savings arising on settlement of unliquidated obligations in all other funds are credited to the obligation concerned.

***Eliminations***

29. 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 funds and the corresponding programme support costs income received in the Special Account for Servicing Costs.

***Cash at banks, in transit and on hand at headquarters and in the regions***

30. The aggregation of all the Organization's cash funds, including cash, imprest and bank accounts, and funds in transit, reflects a balance of \$ 130 180 971.

Imprest account balances reflect, in most cases, disbursements reported up to 30 November 2001. Those disbursements, which amount to \$ 32.7 million, and which have not been accounted for in the financial period will be accounted for against the appropriate liquidation of the 2000-2001 obligations in 2002 and against bank balances in 2002.

**Letters of credit**

31. In addition to actual cash resources in hand, WHO had available to it at 31 December 2001 undrawn balances totalling \$ 68 815 457 (\$ 48 321 483 at 31 December 1999) 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, \$ 59 996 107.
- Under the Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), \$ 6 850 000.

**The US Environmental Protection Agency**

- Under the Voluntary Fund for Health Promotion, \$ 1 969 350.

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 is recorded as income under the funds concerned.

**Sundry debtors**

32. Sundry debtors - \$ 45 560 413, as detailed below - comprise 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 2002.

	31 December 1999 US\$	31 December 2001 US\$
Personal accounts of WHO staff - advances	16 300 243	16 990 769
Due from other United Nations organizations and agencies, institutions, governments and ministries, firms, corporations and other entities, for goods and services provided	8 775 521	12 382 728
Clearance accounts – for processing in 2002	11 276 973	6 344 837
UNAIDS/UNDP Operating Fund	-	5 295 075
Other debtors	983 966	4 432 123
Guarantee deposits	<u>59 969</u>	<u>114 881</u>
	<u>37 396 672</u>	<u>45 560 413</u>

**Prepaid expenses**

33. The amount of \$ 1 615 472 represents disbursements made in respect of obligations against the next financial period and will be charged as expenditure in that period.

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

34. 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. The Regional Office for Africa started to return to Brazzaville in 2001.

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 but are charged as expenditure.

At 31 December 2001, the cost of land and buildings at each location comprises the following:

<b>Location</b>	<b>Balance 1 January 2000 US\$</b>	<b>Increase 2000-2001 US\$</b>	<b>Balance 31 December 2001 US\$</b>
<i>Headquarters</i>	41 597 370		41 597 370
Regional Office for Africa	7 012 106		
African Region - other	1 249 634		
<i>Total: Regional Office for Africa</i>	8 261 740		8 261 740
<i>Regional Office for South-East Asia</i>	1 483 295		1 483 295
Regional Office for the Eastern Mediterranean	9 919 992	2 099 842	
Eastern Mediterranean Region - other	68 369	-	
<i>Total: Regional Office for the Eastern Mediterranean</i>	9 988 361	2 099 842	12 088 203
<i>Regional Office for the Western Pacific</i>	3 456 758		3 456 758
<b>Total: Capital assets</b>	<b>64 787 524</b>	<b>2 099 842</b>	<b>66 887 366</b>

**Members' contributions received in advance**

35. At 31 December 2001, some members had paid in advance or in part, their contributions to the effective working budget for 2002 and future years. In addition, some members had received refunds of assessed contributions for the current biennium which are taken forward as credits to be offset against future assessments. In total, contributions paid in advance at that date amounted to \$ 35 168 620.

**Unliquidated obligations**

36. 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. As indicated in Note 30 disbursements which amount to \$ 32.7 million which have not been accounted for in the financial period, will be accounted for against the appropriate liquidation of 2000-2001 obligations in 2002.

**Accounts payable and deferred income**

**Accounts payable and deferred income**

37. Accounts payable, \$ 36 135 536, represent 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 2001. These comprise the following:

	31 December 1999 US\$	<b>31 December 2001 US\$</b>
Personal accounts of WHO staff – proceeds of claims and other amounts due	3 710 903	<b>3 951 152</b>
Due to other United Nations organizations and agencies, institutions, government ministries, firms, corporations and other entities, for goods and services received	14 302 122	<b>12 257 332</b>
Due to United Nations Joint Staff Pension Fund for contributions and other payments outstanding	8 796 780	<b>9 109 543</b>
UNAIDS/UNDP Operating Fund	-	<b>5 014 259</b>
Clearance accounts – for processing in 2002	<u>6 658 513</u>	<u><b>5 803 250</b></u>
<b>Total accounts payable</b>	<u>33 468 318</u>	<u><b>36 135 536</b></u>
<b>Deferred income</b>		
Advance payment by Members of benefit from the use of Miscellaneous Income to complement the amounts payable as assessed contributions for 2002 and 2003 under resolution WHA 54.17	-	<b>2 436 323</b>
<b>Total accounts payable and deferred income</b>	<u>33 468 318</u>	<u><b>38 571 859</b></u>

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

38. In terms of the Financial Regulations 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 under Other Trust Funds and Associated Entities, Statement I.4 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, Statement II. UNAIDS income is recorded on a cash received 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.

**Working Capital Fund/Internal Borrowing**

39. At 31 December 2001, the Working Capital Fund of \$ 31 000 000 had been fully withdrawn to finance regular budget implementation pending receipt of assessed contributions from Members. A further amount of \$ 24 628 307 was internally borrowed against other available WHO funds.



### ***Holding Account***

40. This account holds funds appropriated by the Health Assembly to help finance the regular budget for the next financial period. By resolution WHA53.5 the Health Assembly appropriated \$ 6 012 373 of casual income; by resolution WHA 54.8 the Health Assembly appropriated \$ 6 883 150 of casual income; and \$ 500 000 from the reimbursement of estimated programme support costs by the United Nations Development Programme to help finance the 2002-2003 programme budget. These funds will be credited as income to the regular budget on 1 January 2002.

### ***Revolving Sales Fund***

41. 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.

In 2000-2001, in accordance with resolution WHA22.8, an amount of \$ 4 100 000 (\$ 5 926 379 in 1998 - 1999) 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 2002-2003.

Further, in accordance with resolution WHA22.8, an amount of \$ 120 361 (\$ 877 268 in 1998-1999) was transferred to casual income, leaving a balance of \$ 500 000 in the Revolving Sales Fund.

Changes which have been recommended by the Executive Board at its 109<sup>th</sup> Session (EB 109.R21) will not take effect until after the Fifty-fifth Health Assembly and, therefore, the presentation of the Revolving Sales Fund is in accordance with current Health Assembly Resolutions.

### ***Special Account for Operation of Concessions at Headquarters***

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

### ***Non-expendable Equipment***

43. In accordance with established accounting policy, non-expendable equipment, including furniture, computers and other office equipment and motor vehicles, is charged as expenditure on purchase. Non-expendable equipment is recorded at cost. The total value at cost at 31 December 2001 was \$ 98 348 194 (\$ 94 414 035 at 31 December 1999).

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

44. 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 any share of any actuarial deficiency payments under Article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. At the time of this report the United Nations General Assembly has not invoked this provision.

### ***Ex-gratia payments, amounts written-off, administrative waivers***

45. During 2000-2001 there were five ex-gratia payments totalling \$ 30 612 and twenty-eight cases of amounts written off totalling \$ 142 120 and no cases of administrative waivers.

### **Contingent Liabilities**

46. At 31 December 2001, there were pending legal proceedings against the Organization of an immaterial nature on matters relating to two accidents involving a WHO vehicle. In addition claims are being processed relating to rental at one field office, to the fraudulent purchase of vehicles (subsequently settled for \$ 68 914 in January 2002), and to illness contracted by a former staff member while on duty travel. Finally, 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.

### **Statement of Appropriations for the Financial Period 2000-2001**

#### **Transfers between sections of the Appropriation Resolution**

47. Paragraph 3.C of the Appropriation Resolution for the financial period 2000-2001 (resolution WHA 52.20) states:

Notwithstanding the provisions of the Financial Regulations, the Director-General is authorized to make transfers between those appropriation sections that constitute the effective working budget up to an amount not exceeding 10% of the amount appropriated for the section from which the transfer is made. All such transfers shall be reported in the financial report for the financial period 2000-2001. Any other transfers required shall be made and reported in accordance with the provisions of Financial Regulations.

All transfers between appropriation sections made by the Director-General during the 2000-2001 biennium were within the authority granted under the Appropriation Resolution and were effected in order to meet changing programme needs. However, it may be noted that an additional requirement under one allocation in a given section may be frequently offset by a reduced requirement under another allocation in the same appropriation section, thereby avoiding the need for a transfer. A consolidated record of transfers made by the Director-General is kept centrally at headquarters. The transfers made in the course of the implementation of the 2000-2001 programme budget are summarized as follows:

### **Appropriation Section 1 - Communicable Diseases**

#### *The regions*

- in the African Region, increase to priority activities and inter-country programme	594 000
- in the South-East Asia Region, increase to priority activities	251 700
- in the Eastern Mediterranean Region, increase to priority activities and inter-country programme	348 200

#### *offset by:*

- in the Region of the Americas, efficiency savings	(528 000)
- in the European Region, savings due to restructuring of programmes between appropriations	(202 200)
- in the Western Pacific Region, efficiency savings	(150 000)

#### *Global and interregional activities*

- decrease due to reallocation of efficiencies to priority areas and cost variances	(2 949 000)
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#### *Net transfers out*

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(2 635 300)

**Appropriation Section 2 - Noncommunicable Diseases**

<i>The regions</i>	
- in the Region of the Americas, increase to priority activities	558 600
- in the South-East Asia Region, increase associated with reclassification of programmes, cost savings and efficiency shifts to priority programmes	785 600
- in the European Region, increase associated with the Tobacco Free Initiative	887 600
- in the Western Pacific Region, increase due to cost variance and transfer of efficiency savings to priority areas, including Tobacco Free Initiative and diabetes	450 000
<i>offset by:</i>	
- In the African Region, cost variance and efficiencies to priority areas	(34 000)
- Eastern Mediterranean Region, savings transferred to priority areas	(81 500)
<i>Global and interregional activities</i>	
- increase due to reallocation of efficiencies to priority areas	495 700
<i>Net transfers in</i>	<u>3 062 000</u>

**Appropriation Section 3 - Family and Community Health**

<i>The regions</i>	
- in the African Region, increase to priority areas	3 649 000
- in the Region of the Americas, increase to priority areas	580 200
- in the South-East Asia Region, increase due to programme reclassification and shifts to priority programmes	1 361 100
- in the European Region, increase due to programme reclassification and shifts to priorities	502 200
- in the Eastern Mediterranean Region, increase to priority areas	154 700
- in the Western Pacific Region, increase due to programme reclassification and shifts to priority programmes (HIV/AIDS, reproductive health and safe motherhood)	1 050 000
<i>Global and interregional activities</i>	
- increase due to programme reclassification and shifts to priority programmes	1 748 000
<i>Net transfers in</i>	<u>9 045 200</u>

**Appropriation Section 4 - Sustainable Development and Healthy Environments**

<i>The regions</i>	
- in the African Region, increase to priority activities and strengthening of inter-country programme	713 000
- in the Eastern Mediterranean Region, increase due to country contribution to Regional Center for Environmental Health activities	1 592 200
- in the Western Pacific Region, increase to priority activities in food safety, nutrition and emergency humanitarian assistance	1 200 000
<i>offset by:</i>	
- in the Region of the Americas, decrease due to efficiency shift to priority areas	(44 800)
- in the South-East Asia Region, decrease due to reclassification of programmes	(173 400)
- in the European Region, decrease due to reclassification of programmes	(220 400)
<i>Global and interregional activities</i>	
- increase due to reorganization of programmes and reallocation of efficiency savings to priority activities	670 400
<i>Net transfers in</i>	<u>3 737 000</u>

## Appropriation Section 5 - Social Change and Mental Health

### *The regions*

- in the African Region, increase to priority programmes	699 000
- in the South-East Asia Region, increases due to reorganization of programmes	1 509 600
- in the European Region, increase due to reorganization of programmes	233 000
- in the Eastern Mediterranean Region, increase due to country contributions to inter-country programmes and cost and efficiency shifts to priority areas	749 000

### *offset by:*

- in the Region of the Americas, decrease as a result of shifts to priority areas	(55 000)
- in the Western Pacific Region, decrease as a result of shifts to priority areas	(1 000 000)

### *Global and interregional activities*

- decrease as a result of shifts to priority areas	(167 840)
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### *Net transfers in*

1 967 760

## Appropriation Section 6 - Health Technology and Pharmaceuticals

### *The regions*

- in the African Region, increase to shifts to priority programmes (including blood safety) and increase in funding for inter-country programmes	1 398 000
- in the Region of the Americas, increase to priority areas	576 100
- in the South-East Asia Region, increase due to restructuring programmes and increase in funding for inter-country programmes	1 156 800
- in the Western Pacific Region, increase to priority areas (including blood safety and vaccination activities)	1 300 000

### *offset by:*

- in the European Region, decrease to reflect restructuring of programmes	(685 200)
- in the Eastern Mediterranean Region, decrease due to shifts to priority areas	(464 300)

### *Global and interregional activities*

- decrease due to transfer of cost savings to priority areas	(52 000)
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### *Net transfers in*

3 229 400

## Appropriation Section 7 - Evidence and Information for Policy

### *The regions*

- in the South-East Asia Region, increase to priority areas	682 000
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### *offset by:*

- in the African Region, decrease due to cost savings and efficiency shifts	(2 845 000)
- in the Region of the Americas, decrease due to efficiency shifts	(230 300)
- in the European Region, decrease to implement reorganization of programmes	(652 000)
- in the Eastern Mediterranean Region, decrease due to transfers to priority areas	(2 262 600)
- in the Western Pacific Region, decrease due to cost savings and efficiency shifts	(1 800 000)

### *Global and interregional activities*

- increase due to reassignments and shifts to priority areas	2 256 140
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### *Net transfers out*

(4 851 760)

**Appropriation Section 8 - External Relations and Governing Bodies***The regions*

- in the African Region, increase due to reorganization of programmes and strengthening of inter-country programmes 723 000

*offset by:*

- in the Region of the Americas, decrease due to efficiency shifts to priority areas (193 600)
- in the South-East Asia Region, decrease due to reorganization of programmes, support to inter-country programmes, priority programmes and capital equipment expenditure (2 637 300)
- in the European Region, decrease to strengthen technical and administrative support, Rome center and strengthened inter-country programmes (952 900)
- in the Eastern Mediterranean Region, decrease due to efficiency shift to priority areas (43 800)
- in the Western Pacific Region, decrease due to cost savings directed to priority areas (100 000)

*Global and interregional activities*

- decrease to support priority activities in headquarters and regional offices (1 032 500)

*Net transfers out*(4 237 100)**Appropriation Section 9 – General Management***The regions*

- in the South-East Asia Region, increase due to restructuring of programmes, inter-country programme support and capital equipment upgrades 797 500
- in the European Region, increase due to reorganization of programmes 943 600
- in the Eastern Mediterranean Region, increase to inter-country programmes and additional funds to support office move to Cairo 1 942 600

*offset by:*

- in the African Region, decrease due to shifting funds to priority programmes (581 000)
- in the Region of the Americas, decrease due to efficiency shifts to priority programmes (572 000)
- in the Western Pacific Region, decrease due to cost savings shifted to priority areas (600 000)

*Global and interregional activities*

- decrease to support priority activities (913 400)

*Net transfers in*1 017 300**Appropriation Section 10 - Director-General, Regional Directors and Independent Functions***The regions*

- in the South-East Asia Region, increase due to restructuring of programmes and additional country funding of inter-country activities 750 400
- in the European Region, increase due to restructuring of programmes 71 300
- in the Eastern Mediterranean Region, increase to inter-country programmes, inter-country meetings and office move 395 500

*offset by:*

- in the African Region, decrease due to cost variance and efficiency shifts (1 369 000)
- in the Region of the Americas, decrease due to efficiency shifts (91 200)
- in the Western Pacific Region, decrease to transfer funds to priority programmes (350 000)

*Global and interregional activities*

- decrease to support priority programmes and activities (2 165 500)

*Net transfers out*(2 758 500)

## Appropriation Section 11 - Country Programmes

The regions	
- in the Region of the Americas, increase to Making Pregnancy Safer in Bolivia	140 000
- in the European Region, increase due to reorganization of programmes	75 000
offset by:	
- in the African Region, decrease to support inter-country programme funding of country cooperation programmes and relocation of the regional office	(2 477 000)
- in the South-East Asia Region, decrease to support inter-country programme funding	(3 734 000)
- in the Eastern Mediterranean Region, decrease to support inter-country programme funding	(1 580 000)
<i>Net transfers out</i>	<u>(7 576 000)</u>
<i>Overall net transfer</i>	<u><u>-</u></u>

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**Schedule 1(a)**

**Cash, Deposits and Securities  
as at 31 December 2001**

(expressed in US dollars)

Funds in currencies other than US dollars are accounted at their dollar equivalent based on the United Nations accounting rate of exchange. Securities are accounted at current market value.

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

Current accounts- HQ	76 769 646	
Current accounts - Regional Offices	<u>53 411 325</u>	130 180 971

**Deposits and securities** held on behalf of the Organization, the Voluntary Fund for Health Promotion, its special accounts and trust funds, including the various foundations administered by WHO

**Deposits**

Deposits and Call accounts in US dollars	749 471 246
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**Securities**

Managed short-term fixed income portfolios in US dollars	369 885 964		
Managed Staff Health Insurance income portfolios in US dollars	134 817 160		
Managed Staff Health Insurance income portfolios in Swiss Francs	22 358 993		
Managed Staff Health Insurance equity portfolio in US dollars	<u>6 930 674</u>	<u>533 992 791</u>	<u>1 283 464 037</u>

**Total cash, deposits and securities as at 31 December 2001**

1 413 645 008 <sup>b/</sup>

<sup>a/</sup> During 2001 the valuation method for recording securities was changed from cost to market value. This change was carried out to coincide with the creation of new investment portfolios in late 2001. Additional income amounting to \$ 1 141 315 has been recorded in 2001 as a result of this change.

<sup>b/</sup> The total revenue from deposits and other liquid resources for the financial period 2000-2001, taking into account an amount of \$ 2 956 428 exchange differential (gain), was \$ 131 172 633 (1998-1999: \$ 76 073 539), of which \$ 28 859 483 (1998-1999: \$ 7 676 300) related to the regular budget and was credited to casual income. After taking into account an amount of \$ 624 917 (1998-1999: \$ 158 231) which related to WHO Treasury portfolio management costs and IT systems, the balance of \$ 101 688 233 (1998-1999: \$ 68 239 008) was apportioned to other funds and special accounts in accordance with Financial Regulation 11.2.



*Schedule 1(b)***Cash, Deposits and Securities  
by Source of Funds  
as at 31 December 2001***(expressed in US dollars)*

	1999		2001	
<b>Accounts payable and receivable:</b>				
Accounts payable and deferred income	33 468 318		<b>38 571 859</b>	
Accounts receivable and prepaid expenses	<u>37 712 270</u>	(4 243 952)	<u><b>47 175 886</b></u>	<b>(8 604 027)</b>
<b>Unliquidated obligations:</b>				
WHO programme activities:				
Inter-organization arrangements	15 115 042		<b>21 981 432</b>	
Other WHO funds	16 820 773		<b>11 615 284</b>	
Regular budget	78 116 934		<b>82 011 578</b>	
Trust funds	40 969 148		<b>57 569 688</b>	
Voluntary Fund for Health Promotion	<u>74 362 449</u>	225 384 346	<u><b>109 060 477</b></u>	<b>282 238 459</b>
<b>Non-WHO programme activities:</b>				
International Computing Centre (ICC)	3 331 510		<b>1 620 541</b>	
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	<u>28 083 734</u>	31 415 244	<u><b>66 689 082</b></u>	<b>68 309 623</b>
<b>Trust funds</b>	336 152 839		<b>381 461 455</b>	
<b>Less:</b> Non-cash item - interest accrued and unapportioned	<u>11 494 034</u>	324 658 805	<u><b>16 390 408</b></u>	<b>365 071 047</b>
<b>Voluntary Fund for Health Promotion</b>		275 090 500		<b>443 766 060</b>
<b>Internal borrowing</b>		(63 110 688)		<b>(24 628 307)</b>
<b>Other WHO funds:</b>				
Casual Income Account	28 672 961		<b>47 652 974</b>	
Holding Account	25 020 914		<b>13 395 523</b>	
Real Estate Fund	1 731 678		<b>557 442</b>	
Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training	400 000		<b>400 000</b>	
Revolving Sales Fund	500 000		<b>500 000</b>	
Special Account for Income Derived from Patent Policy			<b>3 290</b>	
Special Account for Operation of Concessions at Headquarters	3 443 029		<b>3 830 903</b>	
Special Account for Servicing Costs	104 757 266		<b>140 796 882</b>	
Special Account for the WHO Renewal Fund	1 909 448			
Tax Equalization Fund	5 898 440		<b>6 607 610</b>	
Terminal Payments Account	<u>47 637 301</u>	219 971 037	<u><b>38 578 909</b></u>	<b>252 323 533</b>
<b>Members' contributions received in advance</b>		<u>42 111 903</u>		<u><b>35 168 620</b></u>
<b>Total</b>		<u><u>1 051 277 195</u></u>		<u><u><b>1 413 645 008</b></u></u>

**Schedule 2**

**Income and Expenditure for the Effective Working Regular Budget for 2000-2001**

(expressed in US dollars)

	<b>Actual</b>	<b>Budget</b>
<b>Income</b>		
Members' net assessments (Schedule 3), Note (i)	842 585 210	842 610 440
<b>Less:</b> Adjustment to appropriations (resolution WHA54.9)		25 230
	<u>842 585 210</u>	<u>842 585 210</u>
<b>Less:</b> Provision for delays in collection of assessed contributions (Schedule 3)	<u>64 321 035</u>	
Contributions collected	778 264 175	842 585 210
<b>Less:</b> Amounts transferred to Tax Equalization Fund to meet income tax reimbursements, Note (ii)	<u>7 212 000</u>	<u>7 212 000</u>
Contributions collected for the effective working budget	771 052 175	835 373 210
<b>Plus:</b> Reimbursement of programme support costs by the United Nations Development Programme (resolution WHA52.20)	1 700 000	1 700 000
Casual income appropriated (resolution WHA52.20)	5 555 567	5 555 560
Total contributions collected for the effective working budget	<u>778 307 742</u>	<u>842 628 770</u>
<b>Less:</b> Exchange rate facility - savings transferred to Casual Income Account (resolution WHA52.20) (Schedule 5)	<u>12 101 700</u>	<u>12 101 700</u>
Total Income for the effective working budget	766 206 042	830 527 070
<b>Expenditure</b>		
Obligations for the effective working budget (Statement IV, Appropriation sections 1 to 11), Note (iii)	<u>820 393 035</u>	<u>830 527 070</u>
<b>Excess of expenditure over income</b>	54 186 993	-
<b>Financed from:</b>		
- the Working Capital Fund	29 558 686	
- Internal borrowing	<u>24 628 307</u>	
	<u>54 186 993</u>	<u>-</u>
Notes:		
(i) Assessed contributions for 2000-2001	842 585 210	100.00%
Contributions collected:		
in 2000	408 507 751	48.48%
in 2001	<u>369 756 424</u>	<u>43.88%</u>
Total (Schedule 3)	<u>778 264 175</u>	<u>92.36%</u>
Shortfall in collection of contributions for 2000-2001	<u>64 321 035</u>	<u>7.64%</u>
(ii) Transfer to Tax Equalization Fund (Appropriation section 12)	80 000 000	
<b>Less:</b> Credits to Members	<u>72 788 000</u>	
Amounts transferred to Tax Equalization Fund to meet Income Tax reimbursements	<u>7 212 000</u>	
(iii) Effective appropriations (Statement IV)	830 527 070	
<b>Less:</b> Expenditure	<u>820 393 035</u>	
<b>Unobligated balance of appropriations (Statement IV)</b>	<u>10 134 035</u>	

**Schedule 3****Assessed Contributions – 2000-2001  
and Prior Financial Periods***(expressed in US dollars)*

Members , including Associate Members	2000-2001 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2000-2001	Balance outstanding 31 December 2001	Balance outstanding 1 January 2000	Collected or adjusted during 2000-2001	Balance outstanding 31 December 2001	
<b>Members assessed for the effective working budget</b>							
Afghanistan	25 240		25 240	218 060	270	217 790	243 030
Albania	24 520	24 520					
Algeria	701 120	701 120					
Andorra	32 950	32 950					
Angola	82 750	42 015	40 735				40 735
Antigua and Barbuda	16 820		16 820	206 624	24 190	182 434	199 254
Argentina	9 124 360		9 124 360	7 876 855	3 663 725	4 213 130	13 337 490
Armenia	50 460		50 460	2 446 240	550	2 445 690	2 496 150
Australia	12 075 110	12 075 110					
Austria	7 734 470	5 067 235	2 667 235	3 675 150	3 675 150		2 667 235
Azerbaijan	92 500		92 500	4 185 930	1 000	4 184 930	4 277 430
Bahamas	123 840	123 840					
Bahrain	140 680	140 680					
Bangladesh	82 810	82 810					
Barbados	66 650	66 650		31 210	31 210		
Belarus	470 940		470 940	2 000 064	1 598 489	401 575	872 515
Belgium	9 121 380	8 288 260	833 120	305 713	305 713		833 120
Belize	7 770	7 770					
Benin	15 870	15 794	76				76
Bhutan	7 050	7 050					
Bolivia	58 880	30 775	28 105	28 745	28 745		28 105
Bosnia and Herzegovina	42 040	21 020	21 020	442 495	228 420	214 075	235 095
Botswana	82 950	82 950					
Brazil	12 168 600	6 192 241	5 976 359	7 302 460	7 302 460		5 976 359
Brunei Darussalam	165 980	165 980					
Bulgaria	92 500	92 500					
Burkina Faso	16 760	16 760					
Burundi	8 400	4 165	4 235	32 370	32 370		4 235
Cambodia	8 400	8 400					
Cameroon	109 030	109 030		20 359	20 359		
Canada	22 149 540	22 149 540					
Cape Verde	16 820	8 564	8 256				8 256
Central African Republic	8 400		8 400	153 607	14 167	139 440	147 840
Chad	8 400		8 400	289 590	54 404	235 186	243 586
Chile	1 120 100	1 011 032	109 068				109 068
China	8 149 600	8 149 600					
Colombia	888 020	450 830	437 190				437 190

**Schedule 3** (continued)

Members , including Associate Members	2000-2001 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2000-2001	Balance outstanding 31 December 2001	Balance outstanding 1 January 2000	Collected or adjusted during 2000-2001	Balance outstanding 31 December 2001	
Comoros	8 400		8 400	453 483	12 416	441 067	449 467
Congo <sup>af</sup>	(370 450)	(370 450)		212 388	212 388		
Cook Islands	7 290	7 290					
Costa Rica	133 190	78 560	54 630				54 630
Côte d'Ivoire	74 530	74 530					
Croatia	239 050	239 050					
Cuba	196 990	196 990		653 734	425 842	227 892	227 892
Cyprus	273 990	273 990					
Czech Republic	862 520	862 520					
Democratic People's Republic of Korea	119 420	119 420					
Democratic Republic of the Congo	58 860		58 860	50 662	640	50 022	108 882
Denmark	5 632 190	5 632 190					
Djibouti	8 400		8 400	87 470	58 270	29 200	37 600
Dominica	8 250	8 250					
Dominican Republic	126 140		126 140	833 218	1 370	831 848	957 988
Ecuador	168 200	168 200		167 420	167 420		
Egypt	528 640	528 640					
El Salvador	99 720	99 720					
Equatorial Guinea	8 400	8 400		348 586	348 586		
Eritrea	7 160	7 160					
Estonia	99 750	99 750					
Ethiopia	49 250	49 250					
Fiji	32 440	32 440					
Finland	4 409 920	4 409 920					
France	55 353 160	55 353 160					
Gabon	126 110		126 110	59 925	36 050	23 875	149 985
Gambia	8 400	8 400		88 240	88 240		
Georgia	58 880		58 880	4 328 340	640	4 327 700	4 386 580
Germany	80 894 890	80 894 890					
Ghana	57 770	28 885	28 885	27 545	27 545		28 885
Greece	2 858 050	2 858 050					
Grenada	8 400	5 987	2 413	87 460	87 460		2 413
Guatemala	150 190	150 190					
Guinea	25 240		25 240	131 276	100 270	31 006	56 246
Guinea-Bissau	8 400		8 400	197 279	90	197 189	205 589
Guyana	7 770	7 569	201				201
Haiti	16 800	16 800					
Honduras	24 670	24 670		34	34		
Hungary	974 060	974 060					
Iceland	256 950	256 950					
India	2 448 420	2 448 420					
Indonesia	1 538 690	341 910	1 196 780	162 495	162 495		1 196 780
Iran (Islamic Republic of)	1 328 700	498 980	829 720	1 637 648	1 637 648		829 720
Iraq	260 700		260 700	5 164 247	2 840	5 161 407	5 422 107
Ireland	1 824 970	1 824 970					

*Schedule 3* (continued)

Members , including Associate Members	2000-2001 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2000-2001	Balance outstanding 31 December 2001	Balance outstanding 1 January 2000	Collected or adjusted during 2000-2001	Balance outstanding 31 December 2001	
Israel	2 861 560	2 752 700	108 860				108 860
Italy	44 636 770	44 636 770		1 513 661	1 513 661		
Jamaica	49 430	49 430					
Japan	169 401 050	169 401 050					
Jordan	49 990	49 990					
Kazakhstan	395 260		395 260	4 804 199	39 300	4 764 899	5 160 159
Kenya	58 730	58 730		74 105	74 105		
Kiribati	7 050	7 050					
Kuwait	1 034 270	1 034 270					
Kyrgyzstan	50 460		50 460	1 170 727	550	1 170 177	1 220 637
Lao People's Democratic Republic	10 160	10 160					
Latvia	142 960	142 960		1 748 600	1 154 705	593 895	593 895
Lebanon	134 370	134 370		62 670	62 670		
Lesotho	16 820	16 820					
Liberia	16 820		16 820	365 052	50 190	314 862	331 682
Libyan Arab Jamahiriya	1 025 960	160 550	865 410	821 862	821 862		865 410
Lithuania	126 140	126 140		423 350	423 350		
Luxembourg	554 370	554 370					
Madagascar	24 700	24 700					
Malawi	15 730	15 730					
Malaysia	1 496 950	1 496 950					
Maldives	7 240	7 240					
Mali	16 220	15 308	912	8 047	8 047		912
Malta	116 420	116 420					
Marshall Islands	7 950	7 950					
Mauritania	8 400	8 400		42 100	42 100		
Mauritius	74 330	74 330					
Mexico	8 207 790	8 207 790					
Micronesia (Federated States of)	7 230	7 230					
Monaco	32 420	32 420					
Mongolia	16 330	16 330					
Morocco	333 120	333 120					
Mozambique	7 160	7 160					
Myanmar	65 940	65 940					
Namibia	57 720	57 720					
Nauru	8 400		8 400	78 510	90	78 420	86 820
Nepal	33 000	33 000		15 105	15 105		
Netherlands	13 300 120	13 300 120					
New Zealand	1 793 630	1 793 630					
Nicaragua	8 400	8 400		44 441	44 441		
Niger	16 820		16 820	209 623	190	209 433	226 253
Nigeria	260 700		260 700	1 080 435	211 140	869 295	1 129 995
Niue	8 380	8 380		10 070	10 070		
Norway	4 972 660	4 972 660					
Oman	415 430	415 430					
Pakistan	487 240	240 798	246 442				246 442

**Schedule 3** (continued)

Members , including Associate Members	2000-2001 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2000-2001	Balance outstanding 31 December 2001	Balance outstanding 1 January 2000	Collected or adjusted during 2000-2001	Balance outstanding 31 December 2001	
Palau	7 250	7 250					
Panama	109 230	101 030	8 200	23 911	23 911		8 200
Papua New Guinea	58 630	58 630		10 835	10 835		
Paraguay	117 230		117 230	20 359	1 280	19 079	136 309
Peru	815 720		815 720	583 724	346 360	237 364	1 053 084
Philippines	672 540	586 730	85 810	216 216	216 216		85 810
Poland	1 620 420	1 620 420					
Portugal	3 534 240	1 794 140	1 740 100				1 740 100
Puerto Rico	8 400	8 400		127 810	127 810		
Qatar	268 600	268 600					
Republic of Korea	8 236 700	8 236 700					
Republic of Moldova	84 100		84 100	2 867 409	26 920	2 840 489	2 924 589
Romania	461 850	461 850					
Russian Federation	8 914 120	8 914 120		18 036 927	18 036 927		
Rwanda	7 550	7 550					
Saint Kitts and Nevis	7 190	7 190					
Saint Lucia	7 730	250	7 480				7 480
Saint Vincent and the Grenadines	8 400	8 400		3 980	3 980		
Samoa	7 050	7 050					
San Marino	15 630	15 630					
Sao Tome and Principe	7 810	7 810					
Saudi Arabia	4 627 260	4 627 260					
Senegal	49 830	42 735	7 095	26 400	26 400		7 095
Seychelles	15 650	15 650					
Sierra Leone	7 900	7 900		44 850	44 850		
Singapore	1 468 300	1 468 300					
Slovakia	275 570	275 570					
Slovenia	504 580	504 580					
Solomon Islands	8 400		8 400	4 190	90	4 100	12 500
Somalia	8 400		8 400	374 913	90	374 823	383 223
South Africa	2 985 330	2 985 330					
Spain	21 155 030	21 155 030					
Sri Lanka	99 680	99 680					
Sudan	58 250	57 325	925	8 667	8 667		925
Suriname	33 400		33 400	57 950	360	57 590	90 990
Swaziland	16 700	16 700					
Sweden	8 767 320	8 767 320					
Switzerland	9 903 650	9 903 650					
Syrian Arab Republic	525 890	267 000	258 890				258 890
Tajikistan	33 640		33 640	777 021	72 118	704 903	738 543
Thailand	1 390 040	1 389 386	654				654
The Former Yugoslav Republic of Macedonia	32 500	16 250	16 250	26 804	26 804		16 250
Togo	8 070		8 070	7 098	90	7 008	15 078
Tokelau	8 210		8 210	31 580	90	31 490	39 700
Tonga	7 050	7 050					

## Schedule 3 (continued)

Members , including Associate Members	2000-2001 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2000-2001	Balance outstanding 31 December 2001	Balance outstanding 1 January 2000	Collected or adjusted during 2000-2001	Balance outstanding 31 December 2001	
Trinidad and Tobago	134 190	134 190		5 655	5 655		
Tunisia	223 510	223 510					
Turkey	3 618 960	3 618 960					
Turkmenistan	50 460		50 460	1 149 500	550	1 148 950	1 199 410
Tuvalu	7 280	6 580	700				700
Uganda	32 510	32 510					
Ukraine	1 572 580		1 572 580	34 198 950		34 198 950	35 771 530
United Arab Emirates	1 452 970	1 452 970					
United Kingdom of Great Britain and Northern Ireland	41 502 510	41 502 510					
United Republic of Tanzania	23 140	23 140					
United States of America	216 217 710	182 801 871	33 415 839	35 700 369	35 700 369		33 415 839
Uruguay	395 220		395 220	173 862	156 502	17 360	412 580
Uzbekistan	201 890	160 285	41 605	144 830	144 830		41 605
Vanuatu	8 400	8 400					
Venezuela	1 320 290	601 682	718 608	2 436 338	2 436 338		718 608
Viet Nam	57 720	57 720					
Yemen	47 100	43 423	3 677	91 562	91 562		3 677
Yugoslavia, Federal Republic of	102 310		102 310				102 310
Zambia	16 170	16 170					
Zimbabwe	70 370	70 370		35 625	35 625		
<b>Total - Members assessed for the effective working budget</b>	<b>842 494 110</b>	<b>778 264 175</b>	<b>64 229 935</b>	<b>153 566 814</b>	<b>82 368 271</b>	<b>71 198 543</b>	<b>135 428 478</b>
<b>New and formerly inactive Members</b>							
Belarus <sup>b/</sup>				908 361	90 837	817 524	817 524
Ukraine <sup>b/</sup>				4 899 740	17 090	4 882 650	4 882 650
<b>Total - new and formerly inactive Members</b>				<b>5 808 101</b>	<b>107 927</b>	<b>5 700 174</b>	<b>5 700 174</b>
<b>Former Members</b>							
Yugoslavia	91 100		91 100	5 443 872	2 380	5 441 492	5 532 592
<b>Total - former Members</b>	<b>91 100</b>		<b>91 100</b>	<b>5 443 872</b>	<b>2 380</b>	<b>5 441 492</b>	<b>5 532 592</b>
<b>Total - all Members</b>	<b>842 585 210</b>	<b>778 264 175</b>	<b>64 321 035</b>	<b>164 818 787</b>	<b>82 478 578</b>	<b>82 340 209</b>	<b>146 661 244</b>
<i>of which:</i>							
Effective Working Budget	835 373 210						
Tax Equalization Fund	7 212 000						
	<u>842 585 210</u>						

<sup>a/</sup> The negative assessment of \$370 450 for 2000-2001 shown for Congo arises from tax equalization fund credits due to that Member.

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

**Schedule 4**

**Working Capital Fund and Internal Borrowing  
as at 31 December 2001**

*(expressed in US dollars)*

Pending the receipt of assessed contributions, implementation of the regular budget may be financed from the Working Capital Fund and thereafter by internal borrowing against available cash reserves of the Organization, excluding Trust Funds.

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

	1998-1999		2000-2001	
	Working Capital Fund	Internal Borrowing	Working Capital Fund	Internal Borrowing
<b>Working Capital Fund established level (WHA48.21)</b>	<u>31 000 000</u>	<u></u>	<u>31 000 000</u>	<u></u>
<b>Balance as at 1 January 1998 and as at 1 January 2000</b>	<u></u>	<u>(92 946 123)</u>	<u></u>	<u>(63 110 688)</u>
<b>Repayments</b>				
Transfer from casual income: (resolutions WHA53.5 and WHA54.8)			<b>17 901 551</b>	
Arrears of contributions collected and applied as reimbursement of regular budget income deficit	5 381 513	92 946 123	<b>11 657 135</b>	<b>63 110 688</b>
<b>Total - Repayments</b>	<u>5 381 513</u>	<u>92 946 123</u>	<u><b>29 558 686</b></u>	<u><b>63 110 688</b></u>
<b>Withdrawals</b>				
Financing of regular budget pending receipt of assessed contributions	5 381 513	63 110 688	<b>29 558 686</b>	<b>24 628 307</b>
<b>Total - Withdrawals</b>	<u>5 381 513</u>	<u>63 110 688</u>	<u><b>29 558 686</b></u>	<u><b>24 628 307</b></u>
<b>Balance as at 31 December 1999 and 31 December 2001 (Statement I)</b>	<u></u>	<u>(63 110 688)</u>	<u></u>	<u>(24 628 307)</u>



**Schedule 5**

**Casual Income Account  
as at 31 December 2001**

*(expressed in US dollars)*

1. The Casual Income Account operated through 2000-2001 in accordance with the transitional arrangements from the previous Financial Regulations and Financial Rules to the New Financial Regulations and Financial Rules (EB107/INF.DOC./5 and A54/6).

2. The Casual Income Account is credited with income arising from a number of sources including the following:

- (i) any unobligated regular budget funded appropriation balances remaining at the end of the financial period;
- (ii) at the end of the financial period, any unliquidated obligations remaining from the prior financial period, including net savings arising on the settlement of unliquidated obligations of that prior financial period;
- (iii) any interest earnings or investment income on surplus liquidity in the regular budget;
- (iv) any refunds or rebates of expenditure received after the end of the financial period to which the original expenditure related;
- (v) any proceeds of insurance claims that are not required to replace the insured item, or otherwise compensate for the loss;
- (vi) the net proceeds generated on the sale of a capital asset after allowing for all costs of acquisition, or improvement, of any asset concerned;
- (vii) net income from the operation of the underground garage/parking at HQ;
- (viii) any net gains or losses that may have arisen under operation of the exchange rate facility, or application of the official United Nations rates of exchange, or in revaluation for accounting purposes of the Organization's assets and liabilities;
- (ix) any payments of arrears of contributions due from Member States that are not required to repay borrowings from the working capital fund or internal borrowing;
- (x) proceeds of the sale of equipment and material net of direct replacement costs;
- (xi) net revenues from the operations of the revolving sales fund; and
- (xii) other sundry income.

3. Under the transitional arrangements referred to in paragraph 1 above, interest earned in respect of regular budget funds for the year ended 31 December 2001 shall be apportioned among Member States in accordance with the provisions of resolution WHA41.12.

Any remaining balance of Casual Income will be carried forward into Miscellaneous Income.

4. A summary of the Casual Income Account for 2000-2001 is shown on the next page, followed by a detailed comparative statement for the years 1998-2001.

**Schedule 5** (continued)

**Casual Income Account  
Summary**

(expressed in US dollars)

<b>Balance as at 1 January 2000</b>		24 825 513
<i>Of which appropriated under resolutions during 2000:</i>		
To part finance the regular budget for the period 2002-2003, to be apportioned among Members in accordance with the financial incentive scheme from interest earnings in 1999 (resolution WHA 53.5)	6 012 373	
To return the balance to Members in 2000 to apply against their regular budget assessments	6 372 696	
To replenish the Working Capital Fund by the amount of arrears of contributions credited to Casual income (resolution WHA 53.5)	10 298 723	
Transfer to Real Estate Fund (resolution WHA 53.4)	<u>2 141 721</u>	<u>24 825 513</u>
Balance		-
Income 2000-2001 (see next page)		61 190 291
<i>Of which appropriated under resolutions during 2001:</i>		
To part finance the regular budget for the period 2002-2003, to be apportioned among Members in accordance with the financial incentive scheme from interest earnings in 2000 (resolution WHA 54.8)	6 883 150	
To replenish the Working Capital Fund by the amount of arrears of contributions credited to Casual income (resolution WHA54.8)	7 602 828	
Transfer to Real Estate Fund (resolution WHA54.7)	<u>2 689 712</u>	17 175 690
<b>Balance available as at 31 December 2001 (Statement I.1)</b>		<u><u>44 014 601</u></u>

*Schedule 5* (continued)**Comparative Statement of Casual Income Received and Utilized in 1998, 1999, 2000 and 2001***(expressed in US dollars)*

	1998	1999	2000	2001
<b>Balance as at 1 January</b>	<b>30 148 404</b>	<b>23 320 914</b>	<b>24 825 513</b>	<b>23 286 850</b>
<b>Income received</b>				
Exchange rate facility:				
1998-1999 regular budget (resolution WHA50.25)	2 504 838	3 008 762		
2000-2001 regular budget (resolution WHA52.20)			5 484 454	6 617 246
Collection of arrears of contributions	1 257 878	9 040 845	7 602 828	
Assessments on formerly inactive Members		48 280	107 927	
Interest earned	1 663 927	6 012 373	6 883 150	21 976 333
Refunds and rebates	233 064	197 842	456 033	414 103
Exchange differential	213 595	(1 136 750)	(2 264 262)	233 881
Sale of equipment and material	92 157	97 358	80 787	187 290
Savings on unliquidated obligations	12 955 406	4 776 602	4 695 805	8 115 816
Revenue from Swiss postal authorities and sundry	450	17 583		3 913
Revolving Sales Fund - Income from sale of WHO publications (net after deduction of costs of production, sales promotion and distribution)	825 632	51 636	58 657	61 704
Underground parking operations:				
Rentals collected	317 870	307 135	269 575	293 155
Garage security costs			(88 104)	
<b>Total - Income received</b>	<b>20 064 817</b>	<b>22 421 666</b>	<b>23 286 850</b>	<b>37 903 441</b>
<b>Utilization of casual income available</b>				
Financing of regular budget/return to Members (resolutions WHA53.5 and WHA54.8)	16 256 760	8 320 914	12 385 069	6 883 150
Appropriated for priority country programmes (resolution WHA48.32)	10 000 000			
Appropriated for high-priority programmes for 2000-2001 (resolution WHA52.20)		15 000 000		
Exchange rate facility:				
Transfer to/(from) the 1998-1999 regular budget (resolution WHA50.25)	635 547	(354 847)		
Transfer to the Working Capital Fund (resolutions WHA53.5 and WHA54.8)			10 298 723	7 602 828
Transfer to/(from) Real Estate Fund (resolutions WHA53.4 and WHA54.7)		(2 049 000)	2 141 721	2 689 712
<b>Total utilized for the year</b>	<b>26 892 307</b>	<b>20 917 067</b>	<b>24 825 513</b>	<b>17 175 690</b>
<b>Balance as at 31 December</b>	<b>23 320 914</b>	<b>24 825 513</b>	<b>23 286 850</b>	<b>44 014 601</b>

**Schedule 6(a)**

**Voluntary Fund for Health Promotion (VFHP)  
Transfer of Balances as at 31 December 1999 from old VFHP Structure  
to the new VFHP Structure as at 1 January 2000**

*(expressed in US dollars)*

The operation of this Fund is governed by World Health Assembly Resolution WHA29.31

Account	Balance 31 December 1999	Transfers <sup>a/</sup> 1 January 2000	Balance 1 January 2000
Special Account for Medical Research			
Special Account for Medical Research (Unspecified)	71 820	(71 820)	
Special Account for Medical Research (Specified) - Human Reproduction	5 674 592	(5 674 592)	
Special Account for Medical Research (Specified) - Other	1 190 962	(1 190 962)	
Total - Special Account for Medical Research	<u>6 937 374</u>	<u>(6 937 374)</u>	
Special Account for Community Water Supply	488 311	(488 311)	
Special Account for Malaria	21 819 877	(21 819 877)	
Special Account for the Leprosy Programme	3 210 587	(3 210 587)	
Special Account for the Yaws Programme			
Special Account for Diarrhoeal Diseases and Acute Respiratory Infections	7 766 657	(7 766 657)	
Special Account for Disasters and Natural Catastrophes	24 532 172	(24 532 172)	
Special Account for the Global Programme for Vaccines and Immunization	50 269 168	(50 269 168)	
Special Account for Assistance to the Least Developed Among Developing Countries	441 788	(441 788)	
Special Account for the Mental Health Programme	3 729 826	(3 729 826)	
Special Account for Reproductive Health Technical Support	6 604 089	(6 604 089)	
Special Account for Tuberculosis	4 131 767	(4 131 767)	
Special Account for Miscellaneous Designated Contributions			
Special Account for Miscellaneous Designated Contributions (Prevention of Blindness)	1 455 234	(1 455 234)	
Special Account for Miscellaneous Designated Contributions (Special Assistance to Cambodia, The Lao People's Democratic Republic and Viet Nam)			
Special Account for Miscellaneous Designated Contributions (Other)	143 567 345	131 523 155	275 090 500
Total - Special Account for Miscellaneous Designated Contributions	<u>145 022 579</u>	<u>130 067 921</u>	<u>275 090 500</u>
General Account for Undesignated Contributions	136 305	(136 305)	
<b>Grand Total - Voluntary Fund for Health Promotion</b>	<b><u>275 090 500</u></b>		<b><u>275 090 500</u></b>
Less: Transfer to Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction established on 1 January 2000			<u>(5 704 692)</u>
<b>Transferred to new Voluntary Fund for Health Promotion structure</b> (see next page)			<b><u>269 385 808</u></b>

*a/ These transfers were made on 1 January 2000 following the Fifty-second World Health Assembly in May 1999, which had been advised that a new structure would be proposed for the Voluntary Fund for Health Promotion (VFHP). The Executive Board, at its 105th Session in January 2000 considered and noted the Report by the Secretariat (EB105/41) that the new VFHP structure would apply as from the beginning of the 2000-2001 biennium. The Fifty-third World Health Assembly in May 2000 was also informed of these changes.*

*Schedule 6(b)*

**Voluntary Fund for Health Promotion (VFHP)**  
**Summary of 2000-2001 Income and Expenditure by Headquarters' Clusters,**  
**WHO Regional Offices and Onchocerciasis Control Programme**  
**as at 31 December 2001**

(expressed in US dollars)

The operation of this Fund is governed by World Health Assembly Resolution WHA 29.31

CLUSTER/OFFICE	Transfer from old VFHP structure 1 January 2000	Contributions 2000-2001	Interest, adjustments and refunds 2000-2001	Expenditure 2000-2001	Balance 31 December 2001
<i>Special Account for Miscellaneous Designated Contributions (Other)</i>					
Communicable diseases	42 554 336	116 833 117	7 820 684	91 242 178	75 965 959
Noncommunicable diseases	4 307 029	11 450 600	498 658	8 638 893	7 617 394
Family and community health	18 806 136	52 407 297	6 349 118	43 226 256	34 336 295
Sustainable development and healthy environments	34 336 076	68 904 525	5 116 011	66 741 166	41 615 446
Social change and mental health	42 158 432	30 581 122	3 200 093	30 265 886	45 673 761
Health technology and pharmaceuticals	49 699 304	351 756 007	11 141 251	275 759 263	136 837 299
Evidence and information for policy	15 393 000	40 061 894	1 414 379	33 394 405	23 474 868
External relations and governing bodies	3 491 665	5 779 994	(1 984 621)	1 701 800	5 585 238
General management	1 815 310	2 501 713	225 880	3 740 570	802 333
Director-General's office	3 202 930	2 017 444	(1 721 021)	1 472 195	2 027 158
Onchocerciasis control programme		198 325 904		198 325 904	
Regional Office for Africa	11 575 343	102 003 606	2 807 683	100 314 104	16 072 528
Regional Office for the Americas	237 310	269 281	(359 392)	57 494	89 705
Regional Office for South-East Asia	5 263 496	38 701 059	1 603 554	26 339 078	19 229 031
Regional Office for Europe	14 595 409	25 484 056	1 339 456	27 842 903	13 576 018
Regional Office for the Eastern Mediterranean	4 599 477	13 610 890	627 140	11 210 940	7 626 567
Regional Office for the Western Pacific	17 350 555	18 992 199	1 709 862	24 816 156	13 236 460
<b>Total - Voluntary Fund for Health Promotion</b>	<b>269 385 808</b>	<b>1 079 680 708</b>	<b>39 788 735</b>	<b>945 089 191</b>	<b>443 766 060</b>

**Schedule 7**

**Special Account for Servicing Costs  
as at 31 December 2001**

*(expressed in US dollars)*

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

The Account is credited with income from the following sources:

- (i) 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;<sup>a/</sup>
- (ii) 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;
- (iii) Funds received for support costs from other extrabudgetary sources, including funds-in-trust arrangements with governments and other entities, and the Voluntary Fund for Health Promotion;
- (iv) 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 this income are charged the maintenance costs of the office accommodation concerned;
- (v) 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;
- (vi) Also credited are interest earnings on the balances of funds in the Special Account for Servicing Costs.

<sup>a/</sup> *Income received in this account is reduced by the support costs credited by the Organization to subcontracting 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.*

**Schedule 7** (continued)

	<u>1998-1999</u>		<u>2000-2001</u>
<b>Balance as at 1 January 1998 and 1 January 2000</b>	89 446 873		104 757 266
<b>Expenditure</b>			
Africa	8 294 221	11 516 916	
The Americas	3 180 470	1 252 924	
South-East Asia	3 027 116	3 618 638	
Europe	1 926 490	2 832 031	
Eastern Mediterranean	779 753	2 626 858	
Western Pacific	2 892 215	1 373 272	
Global and interregional activities	35 152 825	39 982 096	
Cost and promotion of sales of WHO publications	4 450 561	4 583 004	67 785 739
	<u>59 703 651</u>	<u>4 583 004</u>	<u>67 785 739</u>
	29 743 222		36 971 527
<b>Transfer to regular budget income in accordance with:</b>			
Resolution WHA52.20 for 2000-2001	(1 700 000) <sup>a/</sup>		
Resolution WHA54.20 for 2002-2003			(500 000) <sup>a/</sup>
<b>Income</b>			
Received from United Nations Development Programme	1 748 192	257 678	
Received from United Nations Population Fund	714 463	311 498	
Support costs of subcontracting agencies	(96 177)	45 792	
Support costs of trust and voluntary funds	(188 637)	(47 728)	
Received for programme support costs from:			
Trust funds and other arrangements	11 743 029	12 784 671	
Voluntary Fund for Health Promotion	46 327 601	72 792 694	
Received for rental of office accommodation at headquarters from:			
Trust funds and other arrangements	1 546 871	2 683 920	
Voluntary Fund for Health Promotion	840 343		
Transfer from Revolving Sales Fund	5 926 379	4 100 000	
Interest	8 151 980	76 714 044	11 396 830
	<u>76 714 044</u>	<u>11 396 830</u>	<u>104 325 355</u>
<b>Balance as at 31 December 1999 and 31 December 2001</b>	<u>104 757 266</u>		<u>140 796 882</u>
<b>of which:</b>			
<i>Allocated for technical and non-technical support activities in 2000-2001 and in 2002-2003</i>	<u>104 757 266</u>		<u>140 796 882</u>

<sup>a/</sup> Transfer of \$ 1 700 000 for the 2000-2001 regular budget and of \$ 500 000 for the 2002-2003 regular budget through the Holding Account.

**Schedule 8**

**Real Estate Fund  
as at 31 December 2001**

(expressed in US dollars)

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

Under resolution WHA23.14 the costs of the real estate activities are funded by appropriations from casual income by the Health Assembly. Starting in the next biennium, 2002-2003, the Real Estate activities will, under the new Financial Regulations and Financial Rules, be funded by appropriation from the regular budget. The Real Estate Fund is also credited with receipts of rentals relating to real estate operations (other than rental for office accommodation, garage rentals and income from the operation of concessions at headquarters), and interest earned on balances in the Fund.

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

<b>Balance as at 1 January 2000</b>		1 731 678
<b>Income</b>		
Transfer from casual income - resolutions WHA53.4 and WHA54.7	4 831 433	
Rents collected	26 533	
Interest	454 980	5 312 946
		<u>7 044 624</u>
<b>Expenditure</b>		
<i>Headquarters:</i>		
Local Area Network (LAN) - resolution WHA48.22	7 183	
Replacement of the telephone exchange - resolution WHA53.4	1 704 034	
<i>Regional Office for Africa:</i>		
Replacement of the telephone exchange - resolution WHA53.4	427 256	
<i>Regional Office for the Americas:</i>		
Renovation of the WHO/PAHO building - resolution WHA54.7	3 250 000	
<i>Regional Office for South-East Asia:</i>		
Replacement of the telephone exchange - resolution WHA53.4	354 161	
<i>Regional Office for Europe:</i>		
Replacement of the local area network cabling infrastructure - resolution WHA23.14, paragraph 3(ii)	(827)	
<i>Regional Office for the Eastern Mediterranean:</i>		
Replacement of the telephone exchange - resolution WHA53.4	425 000	
<i>Regional Office for the Western Pacific:</i>		
Replacement of the telephone exchange - resolution WHA53.4	320 375	6 487 182
		<u>557 442</u>
<b>Balance as at 31 December 2001</b>		<u><u>557 442</u></u>



**Schedule 9**

**Revolving Fund for Teaching and Laboratory Equipment  
for Medical Education and Training  
as at 31 December 2001**

*(expressed in US dollars)*

This fund was established by the Nineteenth World Health Assembly (in resolution WHA19.7) for financing the purchase of teaching and laboratory equipment for education and training in medicine and the allied health sciences, at the request of Members and against advance deposits in national currencies required to cover the full estimated costs in the currencies of purchase.

**Balance as at 1 January 2000** 400 000

Local currencies received (US dollar equivalent):

	Number of requests	Amount	Refunds for completed requests	Net receipts	
Bangladesh	2	115 320		115 320	
Egypt	5	79 821	85 828	(6 007)	
Libyan Arab Jamahiriya	6	136 259		136 259	
Qatar	2	889		889	
		332 289	85 828	246 461	
<b>Less: Transfers to the credit of Members' trust funds for purchases</b>				246 461	
<b>Balance as at 31 December 2001</b>					400 000

**Schedule 10**

**Terminal Payments Account  
as at 31 December 2001**

*(expressed in US dollars)*

This account was established to provide for financing the terminal emoluments of staff members, including repatriation grant, accrued annual leave, repatriation travel, removal on repatriation, and other separation payments. It is funded by a budgetary provision set for the biennium 2000-2001 at 5% of staff net salaries and professional staff post adjustment. It applies to all staff, including those assigned to the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the International Agency for Research on Cancer (IARC); it excludes however, those staff funded from UNDP and staff appointed under the Associate Professional Officers programme. In this way, it is ensured that each source of funds which participates under the scheme bears its appropriate share of the terminal emoluments paid to separating staff members. Interest earned on investments is also credited to the account. The account does not reflect the Organization's full long-term liability for the terminal emoluments of staff members, of which on an ongoing basis the present value at 31 December 2001 is estimated at \$ 79.4 million.

<b>Balance as at 1 January 2000</b>		47 637 301
<b>Income</b>		
Provision for terminal payments	17 317 339	
Interest	<u>5 393 745</u>	<u>22 711 084</u>
		70 348 385
<b>Expenditure</b>		
Repatriation grant	6 915 113	
Accrued annual leave	6 536 058	
Repatriation travel	1 043 496	
Removal on repatriation	882 749	
Abolition of posts	153 315	
Separation by mutual agreement	<u>16 238 745</u>	<u>31 769 476</u>
<b>Balance as at 31 December 2001</b>		<u><u>38 578 909</u></u>

**Schedule 11****Supply Services Funds (Trust Funds)  
as at 31 December 2001***(expressed in US dollars)*

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

	<b>Balance 1 January 2000</b>	<b>Receipts 2000-2001</b>	<b>Expenditure 2000-2001</b>	<b>Balance 31 December 2001</b>
Countries	2 249 549	10 550 153	9 772 613	3 027 089
Other sources	475 830	92 018	556 882	10 966
United Nations sources				
Iraq (SCR 986)	336 901	70 546 473	69 744 199	1 139 175
Other	456 798	1 038 645	1 278 900	216 543
Total - United Nations sources	<u>793 699</u>	<u>71 585 118</u>	<u>71 023 099</u>	<u>1 355 718</u>
Total	<u><u>3 519 078</u></u>	<u><u>82 227 289</u></u>	<u><u>81 352 594</u></u>	<u><u>4 393 773</u></u>

**Schedule 12**

**Special Account for the WHO Renewal Fund  
as at 31 December 2001**

*(expressed in US dollars)*

The Special Account for the WHO Renewal Fund was established by the Director-General to finance for a period of three years up to 31 December 2001 the specific initiatives for change developed in WHO which are aimed toward a more unified, effective and responsive Organization.

<b>Balance as at 1 January 2000</b>		1 909 448
<b>Income</b>		
Contributions (extrabudgetary):		
Canada	165 316	
Cyprus	20 000	
Netherlands	301 448	
New Zealand	65 000	
Tunisia	9 405	
	<hr/>	
Total contributions	561 169	
Interest	184 020	
	<hr/>	<hr/>
<b>Total Income</b>		745 189
		<hr/>
<b>Expenditure</b>		
Efficiency studies	2 211	
Global communications network	967 734	
Global programme on evidence for health policy		
Global staff management council	103 102	
Meeting of WHO Country Representatives	(2 624)	
Negotiating skills workshops	162 155	
Partnerships for health sector development	677 470	
Performance management and development system training	45 200	
Planning and management	(9 419)	
Retreats of Executive Board and Cabinet	(21 481)	
Staff training	729 282	
Working group on policies and strategies to support WHO in health research	1 007	
	<hr/>	<hr/>
<b>Balance as at 31 December 2001</b>		<hr/> <hr/>
		-

## **Financial Implementation of WHO's Programme Budget for 2000-2001**

This part of the Financial Report shows the financial implementation of the International Health Programme for all sources of funds, compared with the approved Programme Budget for the financial period 1 January 2000 – 31 December 2001. Information is provided by Appropriation Section at Headquarters and Regional Levels and by country/territory. Further to the approval of the Budget by the Fifty-second World Health Assembly, the 105<sup>th</sup> session of the Executive Board concurred with the transfer of US\$ 38 369 000 from Appropriation Section 3 (Health Systems and Community Health, now renamed Family and Community Health) to Appropriation Section 7 (Evidence and Information for Policy).

**Table 1**

**Budget and Expenditure Summary  
by Organizational Level  
for 2000 – 2001**

*(expressed in thousands of US dollars)*

	Reference	REGULAR BUDGET					
		Approved Budget 2000-2001 <sup>(a)</sup>	Transfers effectuated	Exchange rate facility	Effective Budget 2000-2001	Expenditure for 2000-2001 Implementation rate as % of effective budget	
Headquarters <i>(b)</i>	Table 2	279 055	(4 858)	(7 480)	266 717	262 148	98.3
Regional <i>(b)</i>	Table 4	231 816	12 434	(4 621)	239 629	237 063	98.9
Countries	Table 4	331 783	(7 576)		324 207	321 182	99.1
Adjustment to appropriations (see Statement IV)		(25)			(25)		
<b>Total</b>		<b>842 629 <sup>(c)</sup></b>	<b>-</b>	<b>(12 101) <sup>(c)</sup></b>	<b>830 528 <sup>(c)</sup></b>	<b>820 393 <sup>(c)</sup></b>	<b>98.8</b>

<sup>(a)</sup> Programme Budget 2000-2001

<sup>(b)</sup> Some of this budget is spent at country level

<sup>(c)</sup> Statement IV

**Table 1** (continued)

OTHER SOURCES			TOTAL			
Budget 2000-2001	Expenditure for 2000-2001	Implementation rate as % of budget	Budget 2000-2001	Expenditure for 2000-2001	Implementation rate as % of total budget	
(a)			(a)			
663 200	550 035	82.9	929 917	812 183	87.3	Headquarters (b)
190 534	463 691	243.4	430 163	700 754	162.9	Regional (b)
104 466	341 941	327.3	428 673	663 123	154.7	Countries
			(25)			Adjustment to appropriations (see Statement IV)
<b>958 200</b>	<b>1 355 667</b>	<b>141.5</b>	<b>1 788 728</b>	<b>2 176 060</b>	<b>121.7</b>	<b>Total</b>
<i>Reconciliation to total expenditure:</i>						
<i>Add:</i>						
Programme support costs, UNDP and UNFPA				520		
				<u>2 176 580</u>		
<i>Less:</i>						
Eliminations - Statement I				66 512		
<b>Total - International Health Programme - Statement I</b>				<u><u>2 110 068</u></u>		

**Table 2**

**Budget and Expenditure Summary by Appropriation Section  
at Headquarters  
for 2000 – 2001**

*(expressed in thousands of US dollars)*

Appropriation section	Regular Budget			Other Sources		Total		
	Effective Budget 2000-2001	Expenditure %	(*)	Budget 2000-2001	Expenditure	Budget 2000-2001	Expenditure	(*)
Communicable diseases	28 155	27 963	99.3	251 900	132 379	280 055	160 342	57.3
Noncommunicable diseases	10 645	10 641	100.0	4 000	14 740	14 645	25 381	173.3
Family and community health	12 854	12 668	98.6	103 132	71 937	115 986	84 605	72.9
Sustainable development and healthy environments	22 223	22 059	99.3	97 400	133 777	119 623	155 836	130.3
Social change and mental health	10 769	10 687	99.2	26 500	32 976	37 269	43 663	117.2
Health technology and pharmaceuticals	20 399	20 360	99.8	97 800	89 628	118 199	109 988	93.1
Evidence and information for policy	42 225	41 761	98.9	36 268	41 761	78 493	83 522	106.4
External relations and governing bodies	28 231	26 784	94.9	2 400	3 100	30 631	29 884	97.6
General management	78 154	76 727	98.2	36 400	26 912	114 554	103 639	90.5
Director-General, Regional Directors and independent functions	13 062	12 498	95.7	7 400	2 825	20 462	15 323	74.9
<b>Total</b>	<b>266 717</b>	<b>262 148</b>	<b>98.3</b>	<b>663 200</b>	<b>550 035</b>	<b>929 917</b>	<b>812 183</b>	<b>87.3</b>

(\*) Implementation rate as a percentage of budget



Table 3

**Budget and Expenditure Summary  
by Region  
for 2000 – 2001**

*(expressed in thousands of US dollars)*

Region <sup>(a)</sup>	Regular Budget			Other Sources		Total		%
	Effective	Expenditure	%	Budget	Expenditure	Budget	Expenditure	
	Budget 2000-2001	% (*)		2000-2001	2000-2001	2000-2001	% (*)	
Africa	178 127	176 358	99.0	143 564	497 006	321 691	673 364	209.3
The Americas	78 111	77 348	99.0	315	12 604	78 426	89 952	114.7
South-East Asia	96 338	95 389	99.0	7 077	91 639	103 415	187 028	180.9
Europe	49 674	49 225	99.1	32 911	73 446	82 585	122 671	148.5
Eastern Mediterranean	86 365	86 010	99.6	11 242	85 903	97 607	171 913	176.1
Western Pacific	75 221	73 915	98.3	17 726	45 034	92 947	118 949	128.0
Country activities not yet allocated <sup>(b)</sup>				82 165		82 165		
<b>Total</b>	<b>563 836</b>	<b>558 245</b>	<b>99.0</b>	<b>295 000</b>	<b>805 632</b>	<b>858 836</b>	<b>1 363 877</b>	<b>158.8</b>

(\*) Implementation rate as a percentage of budget

<sup>(a)</sup> See Table 5 for further information by Region.

<sup>(b)</sup> At the time of approval of the Programme Budget 2000-2001 in May 1999 the distribution among the regions of this budgeted figure for Other Sources had not been finalized. Expenditure is recorded against the region where it occurs.

**Table 4**

**Budget and Expenditure Summary by Appropriation Section  
Regional and Country  
for 2000 – 2001**

*(expressed in thousands of US dollars)*

Appropriation section <sup>(a)</sup>	Regular Budget			Other Sources		Total		
	Effective	Expenditure		Budget	Expenditure	Budget	Expenditure	
	Budget 2000-2001	%(*)		2000-2001		2000-2001		%(*)
Communicable diseases	20 752	20 577	99.2	134 864	280 942	155 616	301 519	193.8
Noncommunicable diseases	7 051	6 900	97.9	250	4 194	7 301	11 094	152.0
Family and community health	16 847	16 501	97.9	9 247	20 554	26 094	37 055	142.0
Sustainable development and healthy environments	29 480	29 316	99.4	12 641	15 358	42 121	44 674	106.1
Social change and mental health	12 065	12 027	99.7	1 011	3 428	13 076	15 455	118.2
Health technology and pharmaceuticals	15 416	15 350	99.6	5 429	98 167	20 845	113 517	544.6
Evidence and information for policy	48 963	48 586	99.2	5 025	10 202	53 988	58 788	108.9
External relations and governing bodies	16 702	16 312	97.7	7 048	12 657	23 750	28 969	122.0
General management	60 857	60 244	99.0	14 847	18 018	75 704	78 262	103.4
Director-General, Regional Directors and independent functions	11 496	11 250	97.9	172	171	11 668	11 421	97.9
<b>Sub total</b>	<b>239 629</b>	<b>237 063</b>	<b>98.9</b>	<b>190 534</b>	<b>463 691</b>	<b>430 163</b>	<b>700 754</b>	<b>162.9</b>
Country Programmes	324 207	321 182	99.1	104 466	341 941	428 673	663 123	154.7
<b>TOTAL</b>	<b>563 836</b>	<b>558 245</b>	<b>99.0</b>	<b>295 000</b>	<b>805 632</b>	<b>858 836</b>	<b>1 363 877</b>	<b>158.8</b>

(\*) Implementation rate as a percentage of budget

(a) See Table 5 for further information by Region.

Table 5

### Budget and Expenditure by Region and by Appropriation Section for 2000 – 2001

(expressed in thousands of US dollars)

Region/Appropriation section	Regular Budget			Other Sources		Total		
	Effective Budget	Expenditure		Budget	Expenditure	Budget	Expenditure	
	2000-2001		%(*)	2000-2001		2000-2001		%(*)
<b>Africa</b>								
Communicable diseases	5 801	5 749	99.1	128 594	261 596	134 395	267 345	198.9
Noncommunicable diseases	1 695	1 678	99.0		627	1 695	2 305	136.0
Family and community health	7 701	7 569	98.3	4 464	10 244	12 165	17 813	146.4
Sustainable development and healthy environments	7 086	7 022	99.1	245	334	7 331	7 356	100.3
Social change and mental health	2 626	2 607	99.3		132	2 626	2 739	104.3
Health technology and pharmaceuticals	3 929	3 904	99.4	245	67 595	4 174	71 499	1 713.0
Evidence and information for policy	12 023	11 968	99.5		1 079	12 023	13 047	108.5
External relations and governing bodies	4 887	4 845	99.1	1 264	1 260	6 151	6 105	99.3
General management	20 826	20 617	99.0	5 544	9 310	26 370	29 927	113.5
Director-General, Regional Directors and independent functions	1 734	1 703	98.2			1 734	1 703	98.2
<b>Sub total</b>	<b>68 308</b>	<b>67 662</b>	<b>99.1</b>	<b>140 356</b>	<b>352 177</b>	<b>208 664</b>	<b>419 839</b>	<b>201.2</b>
Country Programmes (see Table 6)	109 819	108 696	99.0	3 208	144 829	113 027	253 525	224.3
<b>TOTAL AFRICA</b>	<b>178 127</b>	<b>176 358</b>	<b>99.0</b>	<b>143 564</b>	<b>497 006</b>	<b>321 691</b>	<b>673 364</b>	<b>209.3</b>
<b>The Americas</b>								
Communicable diseases	5 778	5 715	98.9		3 830	5 778	9 545	165.2
Noncommunicable diseases	1 092	1 057	96.8		250	1 092	1 307	119.7
Family and community health	2 095	1 970	94.0	315	971	2 410	2 941	122.0
Sustainable development and healthy environments	4 449	4 477	100.6		437	4 449	4 914	110.5
Social change and mental health	2 422	2 422	100.0		608	2 422	3 030	125.1
Health technology and pharmaceuticals	2 807	2 807	100.0		1 711	2 807	4 518	161.0
Evidence and information for policy	7 801	7 757	99.4		644	7 801	8 401	107.7
External relations and governing bodies	2 170	2 146	98.9		169	2 170	2 315	106.7
General management	6 286	6 217	98.9		151	6 286	6 368	101.3
Director-General, Regional Directors and independent functions	522	516	98.9			522	516	98.9
<b>Sub total</b>	<b>35 422</b>	<b>35 084</b>	<b>99.0</b>	<b>315</b>	<b>8 771</b>	<b>35 737</b>	<b>43 855</b>	<b>122.7</b>
Country Programmes (see Table 6)	42 689	42 264	99.0		3 833	42 689	46 097	108.0
<b>TOTAL THE AMERICAS</b>	<b>78 111</b>	<b>77 348</b>	<b>99.0</b>	<b>315</b>	<b>12 604</b>	<b>78 426</b>	<b>89 952</b>	<b>114.7</b>

**Table 5** (continued)

Region/Appropriation section	Regular Budget			Other Sources		Total		
	Effective Budget	Expenditure		Budget	Expenditure	Budget	Expenditure	
	2000-2001		%(*)	2000-2001		2000-2001		%(*)
<b>South-East Asia</b>								
Communicable diseases	2 815	2 789	99.1		5 777	2 815	8 566	304.3
Noncommunicable diseases	1 077	1 073	99.6		252	1 077	1 325	123.0
Family and community health	2 127	2 094	98.4		2 331	2 127	4 425	208.0
Sustainable development and healthy environments	3 042	3 009	98.9		166	3 042	3 175	104.4
Social change and mental health	1 885	1 880	99.7			1 885	1 880	99.7
Health technology and pharmaceuticals	2 270	2 270	100.0		6 852	2 270	9 122	401.9
Evidence and information for policy	6 106	6 078	99.5	60	82	6 166	6 160	99.9
External relations and governing bodies	882	848	96.1	712	656	1 594	1 504	94.4
General management	5 853	5 800	99.1	2 423	2 871	8 276	8 671	104.8
Director-General, Regional Directors and independent functions	2 214	2 199	99.3			2 214	2 199	99.3
<b>Sub total</b>	<b>28 271</b>	<b>28 040</b>	<b>99.2</b>	<b>3 195</b>	<b>18 987</b>	<b>31 466</b>	<b>47 027</b>	<b>149.5</b>
Country Programmes (see Table 6)	68 067	67 349	98.9	3 882	72 652	71 949	140 001	194.6
<b>TOTAL SOUTH-EAST ASIA</b>	<b>96 338</b>	<b>95 389</b>	<b>99.0</b>	<b>7 077</b>	<b>91 639</b>	<b>103 415</b>	<b>187 028</b>	<b>180.9</b>
<b>Europe</b>								
Communicable diseases	868	856	98.6	1 556	1 640	2 424	2 496	103.0
Noncommunicable diseases	1 547	1 540	99.5	250	2 422	1 797	3 962	220.5
Family and community health	1 678	1 678	100.0	1 114	1 958	2 792	3 636	130.2
Sustainable development and healthy environments	5 852	5 789	98.9	11 070	10 143	16 922	15 932	94.1
Social change and mental health	2 136	2 131	99.8	980	1 773	3 116	3 904	125.3
Health technology and pharmaceuticals	1 564	1 540	98.5	3 826	6 907	5 390	8 447	156.7
Evidence and information for policy	10 129	10 063	99.3	2 170	6 462	12 299	16 525	134.4
External relations and governing bodies	3 828	3 779	98.7	644	995	4 472	4 774	106.8
General management	12 398	12 271	99.0	2 099	1 807	14 497	14 078	97.1
Director-General, Regional Directors and independent functions	2 105	2 084	99.0	172	171	2 277	2 255	99.0
<b>Sub total</b>	<b>42 105</b>	<b>41 731</b>	<b>99.1</b>	<b>23 881</b>	<b>34 278</b>	<b>65 986</b>	<b>76 009</b>	<b>115.2</b>
Country Programmes (see Table 6)	7 569	7 494	99.0	9 030	39 168	16 599	46 662	281.1
<b>TOTAL EUROPE</b>	<b>49 674</b>	<b>49 225</b>	<b>99.1</b>	<b>32 911</b>	<b>73 446</b>	<b>82 585</b>	<b>122 671</b>	<b>148.5</b>

Table 5 (continued)

Region/Appropriation section	Regular Budget			Other Sources		Total		
	Effective Budget	Expenditure		Budget	Expenditure	Budget	Expenditure	
	2000-2001		%(*)	2000-2001		2000-2001		%(*)
<b>Eastern Mediterranean</b>								
Communicable diseases	2 420	2 398	99.1	2 014	3 520	4 434	5 918	133.5
Noncommunicable diseases	282	278	98.6			282	278	98.6
Family and community health	796	741	93.1	1 342	1 788	2 138	2 529	118.3
Sustainable development and healthy environments	4 792	4 760	99.3	1 326	3 279	6 118	8 039	131.4
Social change and mental health	2 091	2 082	99.6	31	412	2 122	2 494	117.5
Health technology and pharmaceuticals	1 262	1 245	98.7	325	9 453	1 587	10 698	674.1
Evidence and information for policy	7 298	7 252	99.4	95	117	7 393	7 369	99.7
External relations and governing bodies	1 822	1 804	99.0		67	1 822	1 871	102.7
General management	9 103	9 028	99.2	2 051	2 622	11 154	11 650	104.4
Director-General, Regional Directors and independent functions	2 768	2 744	99.1			2 768	2 744	99.1
<b>Sub total</b>	<b>32 634</b>	<b>32 332</b>	<b>99.1</b>	<b>7 184</b>	<b>21 258</b>	<b>39 818</b>	<b>53 590</b>	<b>134.6</b>
Country Programmes (see Table 6)	53 731	53 678	99.9	4 058	64 645	57 789	118 323	204.8
<b>TOTAL EASTERN MEDITERRANEAN</b>	<b>86 365</b>	<b>86 010</b>	<b>99.6</b>	<b>11 242</b>	<b>85 903</b>	<b>97 607</b>	<b>171 913</b>	<b>176.1</b>
<b>Western Pacific</b>								
Communicable diseases	3 070	3 070	100.0	2 700	4 579	5 770	7 649	132.6
Noncommunicable diseases	1 358	1 274	93.8		643	1 358	1 917	141.2
Family and community health	2 450	2 449	100.0	2 012	3 262	4 462	5 711	128.0
Sustainable development and healthy environments	4 259	4 259	100.0		999	4 259	5 258	123.5
Social change and mental health	905	905	100.0		503	905	1 408	155.6
Health technology and pharmaceuticals	3 584	3 584	100.0	1 033	5 649	4 617	9 233	200.0
Evidence and information for policy	5 606	5 468	97.5	2 700	1 818	8 306	7 286	87.7
External relations and governing bodies	3 113	2 890	92.8	4 428	9 510	7 541	12 400	164.4
General management	6 391	6 311	98.7	2 730	1 257	9 121	7 568	83.0
Director-General, Regional Directors and independent functions	2 153	2 004	93.1			2 153	2 004	93.1
<b>Sub total</b>	<b>32 889</b>	<b>32 214</b>	<b>97.9</b>	<b>15 603</b>	<b>28 220</b>	<b>48 492</b>	<b>60 434</b>	<b>124.6</b>
Country Programmes (see Table 6)	42 332	41 701	98.5	2 123	16 814	44 455	58 515	131.6
<b>TOTAL WESTERN PACIFIC</b>	<b>75 221</b>	<b>73 915</b>	<b>98.3</b>	<b>17 726</b>	<b>45 034</b>	<b>92 947</b>	<b>118 949</b>	<b>128.0</b>
<b>Country activities not allocated in the budget document</b>				82 165		82 165		
<b>TOTAL REGIONAL AND COUNTRY</b>	<b>563 836</b>	<b>558 245</b>	<b>99.0</b>	<b>295 000</b>	<b>805 632</b>	<b>858 836</b>	<b>1 363 877</b>	<b>158.8</b>

(\*) Implementation rate as a percentage of budget.

**Table 6**

**Budget and Expenditure Summary  
by Region and by Country/Territory  
for 2000 – 2001**

*(expressed in US dollars thousand)*

AFRICA Country/Territory	Regular Budget			Other Sources		Total	
	Effective Budget	Expenditure		Budget	Expenditure	Budget	Expenditure
	2000-2001	%(*)		2000-2001		2000-2001	
Algeria	1 820	1 551	85.2		77	1 820	1 628
Angola	2 752	2 497	90.7		10 170	2 752	12 667
Benin	2 347	2 183	93.0		1 837	2 347	4 020
Botswana	1 951	1 906	97.7		135	1 951	2 041
Burkina Faso	2 627	2 305	87.7		3 696	2 627	6 001
Burundi	2 794	2 432	87.0		447	2 794	2 879
Cameroon	2 189	2 100	95.9	400	1 669	2 589	3 769
Cape Verde	2 034	2 093	102.9		33	2 034	2 126
Central African Republic	2 649	2 338	88.3		686	2 649	3 024
Chad	2 789	2 939	105.4		2 572	2 789	5 511
Comoros	2 370	1 814	76.5		164	2 370	1 978
Congo	2 147	2 360	109.9		1 710	2 147	4 070
Côte d'Ivoire	1 856	2 140	115.3		1 771	1 856	3 911
Democratic Republic of the Congo	2 906	3 577	123.1	500	26 327	3 406	29 904
Equatorial Guinea	1 511	1 452	96.1		21	1 511	1 473
Eritrea	2 045	1 966	96.1		488	2 045	2 454
Ethiopia	4 126	3 686	89.3		18 985	4 126	22 671
Gabon	1 688	1 613	95.6	326	336	2 014	1 949
Gambia	1 979	2 340	118.2		538	1 979	2 878
Ghana	2 143	2 226	103.9		4 408	2 143	6 634
Guinea	2 700	2 299	85.1		927	2 700	3 226
Guinea-Bissau	2 251	2 126	94.4		407	2 251	2 533
Kenya	2 386	2 645	110.9		4 118	2 386	6 763
Lesotho	2 398	1 588	66.2		108	2 398	1 696
Liberia	2 624	3 090	117.8		1 281	2 624	4 371
Madagascar	2 232	1 724	77.2		1 266	2 232	2 990
Malawi	2 385	2 493	104.5		644	2 385	3 137
Mali	3 032	2 694	88.9		2 682	3 032	5 376
Mauritania	2 453	2 178	88.8		1 025	2 453	3 203
Mauritius	1 559	873	56.0		83	1 559	956
Mozambique	2 749	2 516	91.5		1 765	2 749	4 281
Namibia	2 003	2 036	101.6		316	2 003	2 352
Niger	3 078	3 065	99.6		4 260	3 078	7 325
Nigeria	3 855	4 382	113.7		27 522	3 855	31 904
Reunion	196	115	58.7			196	115
Rwanda	2 985	2 806	94.0		400	2 985	3 206
Saint Helena	144	46	31.9			144	46
Sao Tome and Principe	1 762	1 830	103.9		140	1 762	1 970
Senegal	2 350	2 123	90.3		347	2 350	2 470
Seychelles	1 422	1 062	74.7		40	1 422	1 102
Sierra Leone	2 192	2 355	107.4		4 020	2 192	6 375
South Africa	3 683	3 377	91.7		832	3 683	4 209
Swaziland	1 977	1 983	100.3		174	1 977	2 157
Togo	2 206	2 162	98.0		1 141	2 206	3 303
Uganda	2 594	2 970	114.5	1 950	5 220	4 544	8 190
United Republic of Tanzania	2 494	2 592	103.9		5 231	2 494	7 823
Zambia	2 947	3 164	107.4		486	2 947	3 650
Zimbabwe	2 916	2 884	98.9	32	4 324	2 948	7 208
Regular Budget transfer (to)/from Regional and Intercountry activities	(2 477)					(2 477)	
<b>TOTAL AFRICA</b>	<b>109 819</b>	<b>108 696</b>	<b>99.0</b>	<b>3 208</b>	<b>144 829</b>	<b>113 027</b>	<b>253 525</b>

Table 6 (continued)

THE AMERICAS  Country/Territory	Regular Budget			Other Sources		Total	
	Effective Budget 2000-2001	Expenditure  %(*)		Budget 2000-2001	Expenditure	Budget 2000-2001	Expenditure
Antigua and Barbuda	28	54	192.9			28	54
Argentina	1 633	1 983	121.4		11	1 633	1 994
Bahamas	598	441	73.7			598	441
Barbados	548	607	110.8			548	607
Belize	679	595	87.6		27	679	622
Bolivia	2 413	2 261	93.7		1 631	2 413	3 892
Brazil	3 593	3 614	100.6		708	3 593	4 322
Canada	40	521				40	521
Caribbean	3 519	2 809	79.8		14	3 519	2 823
Chile	1 277	774	60.6			1 277	774
Colombia	2 790	2 875	103.0		74	2 790	2 949
Costa Rica	1 243	1 329	106.9			1 243	1 329
Cuba	1 958	441	22.5		30	1 958	471
Dominica	289	211	73.0			289	211
Dominican Republic	1 572	1 760	112.0		30	1 572	1 790
Eastern Caribbean	222	232	104.5			222	232
Ecuador	2 438	1 928	79.1		375	2 438	2 303
El Salvador	1 519	1 871	123.2		167	1 519	2 038
French Guiana	187	125	66.8			187	125
Grenada	10	112	1 120.0			10	112
Guatemala	1 181	1 322	111.9		52	1 181	1 374
Guyana	792	673	85.0			792	673
Haiti	1 643	1 365	83.1		34	1 643	1 399
Honduras	911	791	86.8		106	911	897
Jamaica	2 155	2 143	99.4			2 155	2 143
Mexico	1 092	2 412	220.9		8	1 092	2 420
Netherlands Antilles	104	69	66.3			104	69
Nicaragua	963	1 247	129.5		177	963	1 424
Northern Caribbean	10	13	130.0			10	13
Panama	990	1 091	110.2			990	1 091
Paraguay	1 012	840	83.0		59	1 012	899
Peru	1 595	1 829	114.7		287	1 595	2 116
Puerto Rico	10	82	820.0			10	82
Saint Kitts and Nevis		92					92
Saint Lucia	139	127	91.4			139	127
Saint Vincent and the Grenadines	52	47	90.4			52	47
Suriname	548	594	108.4			548	594
Trinidad and Tobago	1 213	762	62.8			1 213	762
Turks and Caicos Islands	10	51	510.0			10	51
United States of America	55	21	38.2			55	21
Uruguay	89	293	329.2			89	293
Venezuela	1 429	1 857	130.0		43	1 429	1 900
Regular Budget transfer (to)/from Regional and Intercountry activities	140					140	
<b>TOTAL THE AMERICAS</b>	<b>42 689</b>	<b>42 264</b>	<b>99.0</b>		<b>3 833</b>	<b>42 689</b>	<b>46 097</b>

**Table 6** (continued)

SOUTH-EAST ASIA  Country/Territory	Regular Budget			Other Sources		Total	
	Effective Budget 2000-2001	Expenditure		Budget 2000-2001	Expenditure	Budget 2000-2001	Expenditure
			%(*)				
Bangladesh	11 184	9 385	83.9	200	9 279	11 384	18 664
Bhutan	2 184	2 285	104.6		87	2 184	2 372
Democratic People's Republic of Korea	3 263	3 214	98.5		3 403	3 263	6 617
East Timor		553			2 364		2 917
India	15 070	14 883	98.8	2 827	41 112	17 897	55 995
Indonesia	10 856	10 419	96.0	855	6 930	11 711	17 349
Maldives	2 080	2 044	98.3		30	2 080	2 074
Myanmar	7 317	7 129	97.4		3 649	7 317	10 778
Nepal	8 494	6 773	79.7		5 417	8 494	12 190
Sri Lanka	5 283	5 184	98.1		254	5 283	5 438
Thailand	6 070	5 480	90.3		127	6 070	5 607
Regular Budget transfer (to)/from Regional and Intercountry activities	(3 734)					(3 734)	
<b>TOTAL SOUTH-EAST ASIA</b>	<b>68 067</b>	<b>67 349</b>	<b>98.9</b>	<b>3 882</b>	<b>72 652</b>	<b>71 949</b>	<b>140 001</b>



Table 6 (continued)

EUROPE  Country/Territory	Regular Budget			Other Sources		Total	
	Effective Budget 2000-2001	Expenditure  %(*)		Budget 2000-2001	Expenditure	Budget 2000-2001	Expenditure
Albania	179	110	61.5	500	2 041	679	2 151
Armenia	509	350	68.8		3	509	353
Azerbaijan	519	384	74.0		529	519	913
Belarus	187	148	79.1		5	187	153
Bosnia and Herzegovina	562	320	56.9	2 650	525	3 212	845
Bulgaria	84	46	54.8		56	84	102
Central and Eastern European countries	387	1 397	361.0		1 119	387	2 516
Central Asian Republics		56			352		408
Croatia	242	99	40.9	580		822	99
Czech Republic	123	43	35.0			123	43
Estonia	110	49	44.5		1	110	50
Georgia	180	129	71.7	500	14	680	143
Hungary	114	48	42.1			114	48
Kazakhstan	209	112	53.6	500	370	709	482
Kyrgyzstan	503	471	93.6	100	442	603	913
Latvia	121	45	37.2		23	121	68
Lithuania	97	50	51.5		24	97	74
Malta		51					51
Newly Independent States	403	1 359	337.2	3 900	2 311	4 303	3 670
Norway					39		39
Poland	109	37	33.9		20	109	57
Republic of Moldova	511	375	73.4		17	511	392
Romania	103	45	43.7		46	103	91
Russian Federation	303	337	111.2		6 811	303	7 148
Slovakia	116	52	44.8			116	52
Slovenia	151	49	32.5			151	49
South-East Europe					16 401		16 401
Tajikistan	516	489	94.8		1 965	516	2 454
The Former Yugoslav Republic of Macedonia	198	120	60.6		1 578	198	1 698
Turkey	367	384	104.6		679	367	1 063
Turkmenistan	171	110	64.3		125	171	235
Ukraine	194	105	54.1	300	385	494	490
Uzbekistan	176	124	70.5		235	176	359
Yugoslavia	50				1 273	50	1 273
Yugoslavia, Federal Republic of					1 779		1 779
Regular Budget transfer (to)/from Regional and Intercountry activities	75					75	
<b>TOTAL EUROPE</b>	<b>7 569</b>	<b>7 494</b>	<b>99.0</b>	<b>9 030</b>	<b>39 168</b>	<b>16 599</b>	<b>46 662</b>

**Table 6** (continued)

EASTERN MEDITERRANEAN	Regular Budget			Other Sources		Total	
	Effective Budget	Expenditure		Budget	Expenditure	Budget	Expenditure
	2000-2001	%(*)		2000-2001		2000-2001	
Country/Territory							
Afghanistan	5 762	6 614	114.8		8 646	5 762	15 260
Bahrain	371	290	78.2			371	290
Cyprus	359	167	46.5			359	167
Djibouti	1 908	1 910	100.1		71	1 908	1 981
Egypt	3 386	3 124	92.3		1 199	3 386	4 323
Iran (Islamic Republic of)	3 262	3 100	95.0		1	3 262	3 101
Iraq	2 824	2 835	100.4	263	15 338	3 087	18 173
Jordan	1 507	1 581	104.9		642	1 507	2 223
Kuwait	303	154	50.8	50	41	353	195
Lebanon	1 485	1 672	112.6		1 720	1 485	3 392
Libyan Arab Jamahiriya	1 003	752	75.0		115	1 003	867
Morocco	3 073	2 568	83.6		121	3 073	2 689
Oman	1 158	1 271	109.8		173	1 158	1 444
Pakistan	5 818	4 441	76.3	1 520	16 292	7 338	20 733
Palestinian Territory, Occupied	1 081	1 261	116.7		43	1 081	1 304
Qatar	181	125	69.1		1	181	126
Saudi Arabia	1 525	1 024	67.1		234	1 525	1 258
Somalia	4 916	5 331	108.4	815	4 778	5 731	10 109
Sudan	6 050	6 903	114.1	690	9 780	6 740	16 683
Syrian Arab Republic	2 183	2 862	131.1		793	2 183	3 655
Tunisia	1 655	1 259	76.1		115	1 655	1 374
United Arab Emirates	235	239	101.7			235	239
Yemen	5 266	4 195	79.7	720	4 542	5 986	8 737
Regular Budget transfer (to)/from Regional and Intercountry activities	(1 580)					(1 580)	
<b>TOTAL EASTERN MEDITERRANEAN</b>	<b>53 731</b>	<b>53 678</b>	<b>99.9</b>	<b>4 058</b>	<b>64 645</b>	<b>57 789</b>	<b>118 323</b>

Table 6 (continued)

WESTERN PACIFIC  Country/Territory	Regular Budget			Other Sources		Total	
	Effective Budget	Expenditure		Budget	Expenditure	Budget	Expenditure
	2000-2001		%(*)	2000-2001		2000-2001	
American Samoa	115	123	107.0			115	123
Brunei Darussalam	80	69	86.3			80	69
Cambodia	2 509	3 732	148.7	713	4 832	3 222	8 564
China	7 890	7 760	98.4		5 469	7 890	13 229
Commonwealth of the Northern Mariana Islands	97	70	72.2			97	70
Cook Islands	478	398	83.3	121	39	599	437
Fiji	2 508	2 267	90.4	146	46	2 654	2 313
French Polynesia	90	27				90	27
Guam	89	75	84.3			89	75
Hong Kong Special Administrative Region of China	132	106	80.3			132	106
Japan	39	35	89.7			39	35
Kiribati	670	706	105.4		83	670	789
Lao People's Democratic Republic	2 283	2 568	112.5	100	1 057	2 383	3 625
Macao Special Administrative Region of China	66	41				66	41
Malaysia	1 669	1 305	78.2		16	1 669	1 321
Marshall Islands	207	148	71.5	224	155	431	303
Micronesia (Federated States of)	580	382	65.9	128	94	708	476
Mongolia	3 249	3 095	95.3		231	3 249	3 326
Nauru	101	39	38.6			101	39
New Caledonia	75	20				75	20
New Zealand	40	26	65.0			40	26
Niue	101	60	59.4			101	60
Palau	116	91	78.4			116	91
Papua New Guinea	3 484	3 235	92.9	520	643	4 004	3 878
Philippines	1 797	2 976	165.6		2 256	1 797	5 232
Republic of Korea	1 413	1 335	94.5		44	1 413	1 379
Samoa	1 838	1 355	73.7		63	1 838	1 418
Singapore	615	382	62.1			615	382
Solomon Islands	1 563	1 449	92.7		357	1 563	1 806
Tokelau	101	59	58.4			101	59
Tonga	1 208	1 071	88.7		70	1 208	1 141
Tuvalu	104	79	76.0	171	79	275	158
Vanuatu	1 260	1 185	94.0		155	1 260	1 340
Viet Nam	5 765	5 432	94.2		1 125	5 765	6 557
<b>TOTAL WESTERN PACIFIC</b>	<b>42 332</b>	<b>41 701</b>	<b>98.5</b>	<b>2 123</b>	<b>16 814</b>	<b>44 455</b>	<b>58 515</b>

(\*) Implementation rate as a percentage of budget

**Table 7**

**International Health Programme  
Expenditure by Fund**

*(expressed in thousands of US dollars)*

This table indicates the level of expenditure (including programme support costs) incurred by sources of funds, both in absolute terms and in percentages of total expenditure, for 2000-2001 and for 1998-1999.

Expenditure by sources of funds	1998-1999		2000-2001	
		%		%
Regular budget	<u>812 096</u>	<u>47.0</u>	<u>820 393</u>	<u>37.7</u>
<i>Other sources:</i>				
Voluntary Fund for Health Promotion	562 231	32.6	<b>945 089</b>	<b>43.4</b>
Special Account for the WHO Renewal Fund	4 288	0.2	<b>2 655</b>	<b>0.1</b>
Trust Fund for the Global Programme on AIDS	5 350	0.3	<b>(1 073)</b>	
Onchocerciasis Control Programme	32 232	1.9	<b>27 821</b>	<b>1.3</b>
African Programme for Onchocerciasis Control	18 620	1.1	<b>18 418</b>	<b>0.8</b>
Sasakawa Health Trust Fund	10 676	0.6	<b>10 703</b>	<b>0.5</b>
Trust Fund for the Special Programme for Research and Training in Tropical Diseases	61 792	3.6	<b>59 195</b>	<b>2.7</b>
Trust fund for the UNDP/UNFPA/WHO/World Bank Special Programme for Research, Development and Research Training in Human Reproduction			<b>28 011</b>	<b>1.3</b>
<i>United Nations sources:</i>				
United Nations Afghanistan Emergency Trust Fund	66		<b>275</b>	
United Nations Children's Fund	1 371	0.1	<b>1 772</b>	<b>0.1</b>
United Nations Development Programme	21 390	1.2	<b>3 882</b>	<b>0.2</b>
United Nations Environment Programme	508		<b>479</b>	
United Nations International Drug Control Programme	726		<b>1 016</b>	
United Nations Population Fund	21 040	1.2	<b>10 785</b>	<b>0.5</b>
United Nations Trust Fund for Assistance to Lebanon	11		<b>2</b>	
United Nations sundry trust and voluntary funds	44			
Standard letters of agreement with governments as executing agency	692		<b>(174)</b>	
Standard letters of agreement between executing agencies	1 036	0.1	<b>438</b>	
Supply services trust funds - Iraq Programme	35 415	2.0	<b>69 744</b>	<b>3.2</b>
- All others	4 656	0.3	<b>1 279</b>	<b>0.1</b>
Associate professional officers	8 839	0.5	<b>6 571</b>	<b>0.3</b>
Other trust funds - Iraq Programme	5 298	0.3	<b>24 817</b>	<b>1.1</b>
- All others	46 888	2.7	<b>60 297</b>	<b>2.8</b>
Special Account for Income Derived from Patent Policy			<b>150</b>	
Special Account for Servicing Costs	59 704	3.5	<b>67 786</b>	<b>3.1</b>
Revolving Sales Fund	1 004	0.1	<b>1 040</b>	<b>0.1</b>
Programmes financed by appropriation from casual income	<u>12 374</u>	<u>0.7</u>	<u><b>15 209</b></u>	<u><b>0.7</b></u>
<i>Total - Other sources</i>	<u>916 251</u>	<u>53.0</u>	<u><b>1 356 187</b></u>	<u><b>62.3</b></u>
<b>TOTAL</b>	<u>1 728 347</u>	<u>100.0</u>	<u><b>2 176 580</b></u>	<u><b>100.0</b></u>
<b>Less:</b> Eliminations (see Statement I, Annex 2)				
Transfers between technical cooperation programmes	(16 307)		<b>(10 590)</b>	
Programme support costs	<u>(48 971)</u>		<u><b>(55 922)</b></u>	
<b>TOTAL International Health Programme</b>	<u>1 663 069</u>		<u><b>2 110 068</b></u>	

Table 8

**Effective Working Regular Budget,  
Sources of Financing and Financial Outcome**

(expressed in thousands of US dollars)

This table is divided into two parts: Part A, which indicates the total approved regular budget for the period under review and for the previous period, with the planned sources of financing; and Part B, which indicates the financial outcome of the budget and the resulting income deficit or surplus for each period.

	1998-1999	2000-2001
<b>A. APPROVED BUDGET AND ITS FINANCING</b>		
Total approved budget	842 654	842 629
To be financed as follows:		
Assessed contributions from Members for the effective working budget	827 137	835 373
Reimbursement of programme support costs	2 900	1 700
Casual income appropriated	12 617	5 556
<b>Total financing of budget</b>	842 654	842 629
<b>B. FINANCIAL OUTCOME OF THE BUDGET</b>		
Total approved budget	842 654	842 629
Exchange rate facility - net transfers to Casual Income Account (resolution WHA52.20)	(5 233)	(12 102)
<i>Effective working budget</i>	837 421	830 527
<b>Less:</b> Total expenditure incurred	812 096	820 393
Unobligated balance of appropriations - becoming cash for credit to Casual Income Account when the outstanding underlying contributions are received	25 325	10 134
<b>INCOME DEFICIT</b>		
Assessed contributions collected for the effective working budget	733 320	771 052
Other income (reimbursement of programme support costs and casual income appropriated)	15 517	7 256
Exchange rate facility - net transfers to Casual Income Account (resolution WHA52.20)	(5 233)	(12 102)
Total budgetary income	743 604	766 206
Total expenditure incurred	(812 096)	(820 393)
<b>Income deficit</b>	(68 492)	(54 187) a/

a/ Income deficit covered by a withdrawal of the available balance in the Working Capital Fund \$ 29 558 686, the remainder of \$ 24 628 307 being secured by internal borrowing against other WHO funds pending receipt of outstanding contributions.

**Table 9**

**Operation of the Exchange Rate Facility:  
Transfers to Casual Income Resulting from the Effects of  
Currency Exchange Rate Fluctuations  
in 2000-2001**

*(expressed in US dollars)*

As authorized in resolution WHA52.20 and in accordance with the Financial Regulations, the table below provides, by organizational level and appropriation section, the breakdown of transfers to casual income in respect of savings in 2000-2001 resulting from differences between the WHO budgetary rates of exchange and the United Nations accounting rates of exchange with respect to the relationship between the US dollar and the currencies of the countries of location of headquarters and the regional offices, excluding the Regional Office for Africa, prevailing during the financial period 2000-2001.

<b>Organizational Level</b>	<b>Global and interregional</b>	<b>South-East Asia</b>	<b>Europe</b>	<b>Eastern Mediterranean</b>	<b>Western Pacific</b>	<b>Total</b>
Currency	Swiss franc	Indian rupee	Danish krone	Egyptian pound	Philippine peso	
Budgetary rate of exchange	1.52	42.41	7.01	3.40	38.00	
Average accounting rate for 2000-2001	1.69	45.58	8.18	3.73	47.00	
<b>SUMMARY BY APPROPRIATION SECTION</b>						
<b>Savings transferred to casual income (resolution WHA 52.20 para 3.E)</b>						
1. Communicable diseases	594 500	17 900	17 400	20 000	36 900	686 700
2. Noncommunicable diseases	176 100		17 400	2 600	9 100	205 200
3. Family and community health	230 800	16 500	147 500	53 900	162 600	611 300
4. Sustainable development and healthy environments	512 800	6 200	216 900	21 400	35 400	792 700
5. Social change and mental health	231 000	6 200	34 700	11 000	17 900	300 800
6. Health technology and pharmaceuticals	390 400	6 200	69 400	13 600	17 900	497 500
7. Evidence and information for policy	851 000	13 200	338 300	66 400	139 100	1 408 000
8. External relations and governing bodies	757 000	31 200	173 500	12 200	66 300	1 040 200
9. General management	3 582 700	199 500	1 242 200	327 300	936 400	6 288 100
10. Director-General, Regional Directors and independent functions	154 000	11 100	34 700	23 400	48 000	271 200
11. Country programmes						
<b>Total – Savings transferred to casual income</b>	<b>7 480 300</b>	<b>308 000</b>	<b>2 292 000</b>	<b>551 800</b>	<b>1 469 600</b>	<b>12 101 700</b>

Table 10

### Financial Implementation by Category of Expenditure and Sources of Funds for 2000–2001

(expressed in thousands of US dollars and in percentages)

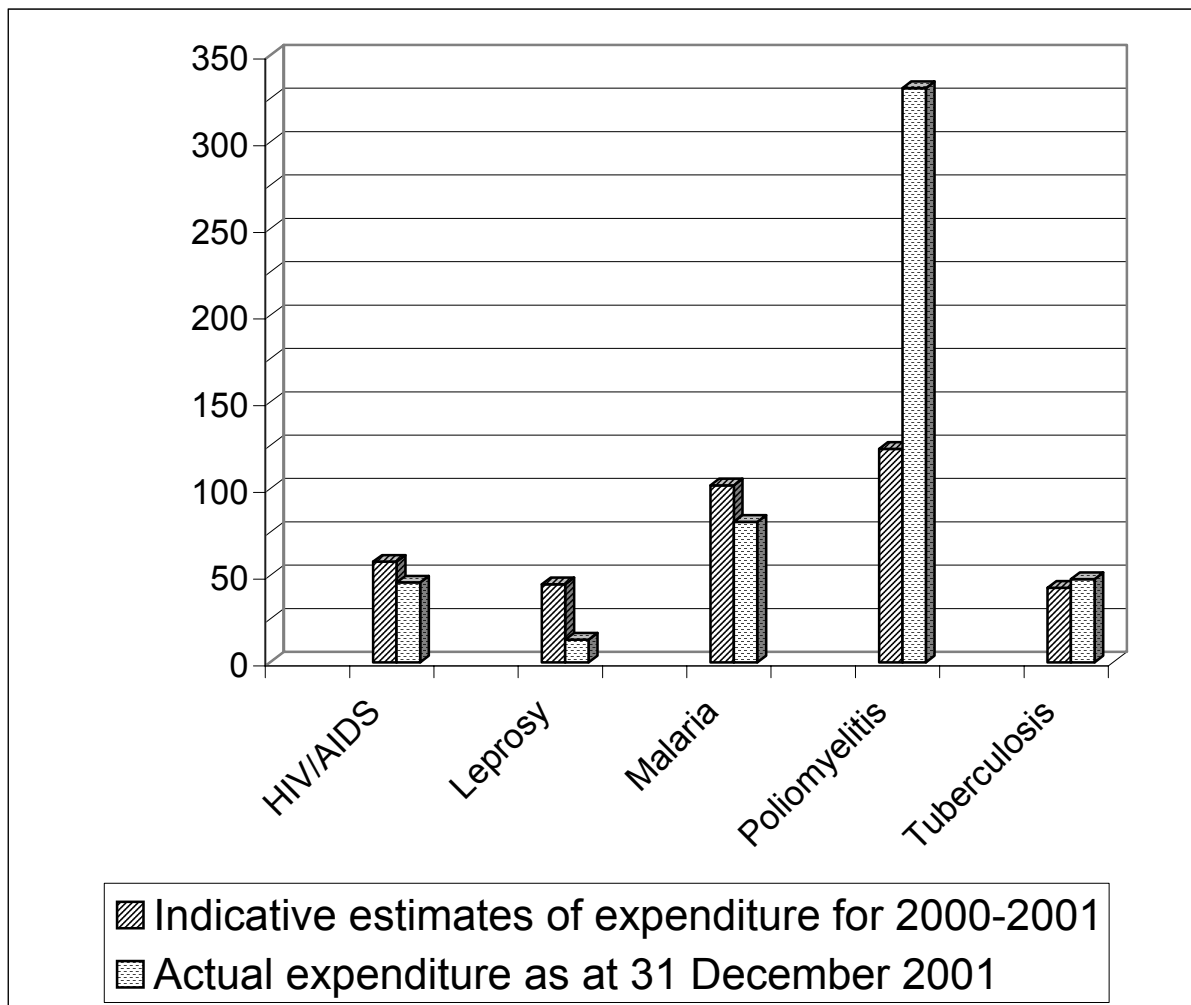
This table provides an analysis of financial implementation by category of expenditure and sources of funds, both in absolute terms and in percentages.

Category of expenditure	Sources of funds									
	Regular Budget		Voluntary Fund for Health Promotion		United Nations sources		Other funds		Total	
		%		%		%		%		%
Salaries and common staff costs	360 062	44.0	73 803	7.7	4 830	4.3	70 858	23.8	509 553	23.4
Short-term staff	76 555	9.3	98 525	10.4	2 767	2.4	34 760	11.6	212 607	9.8
Consultants	10 770	1.3	31 039	3.3	906	0.8	13 067	4.4	55 782	2.6
Temporary advisers	11 030	1.3	28 415	3.0	453	0.4	10 296	3.4	50 194	2.3
Members of expert committees, study groups and scientific groups	461	0.1	2						463	
Governing body delegates and members	829	0.1	5				14		848	
Travel on official business	23 600	2.9	24 251	2.6	344	0.3	7 735	2.6	55 930	2.6
Research contracts	3 181	0.4	26 040	2.8	305	0.3	35 659	12.0	65 185	3.0
Contractual services for translation, printing, data processing, aerial operations and other purposes	74 761	9.1	108 985	11.5	2 894	2.6	37 790	12.7	224 430	10.3
Supplies and materials, rental and maintenance of premises and equipment, stationery, utilities and communications	93 842	11.4	62 346	6.6	70 879	62.7	2 812	0.9	229 879	10.6
Supplies - contributions in kind			198 326	21.0					198 326	9.1
Acquisition of furniture and equipment	31 267	3.8	33 304	3.5	1 598	1.4	63 096	21.1	129 265	5.9
Acquisition and improvement of premises	210		239		88		2 836	1.0	3 373	0.2
Fellowships and other educational activities	47 366	5.8	20 351	2.2	962	0.9	10 298	3.5	78 977	3.6
Local cost subsidies	49 133	6.0	225 811	23.9	24 022	21.3	27 818	9.3	326 784	15.0
Direct financial cooperation	54		35						89	
General project costs - The Americas	30 734	3.7	6 330	0.7	35		1 705	0.6	38 804	1.8
- Other			(69 750)	(7.4)	(2 659)	(2.4)	(27 734)	(9.3)	(100 143)	(4.6)
Other expenditure, including programme support costs and joint activities with the United Nations	6 538	0.8	77 032	8.2	5 612	5.0	7 052	2.4	96 234	4.4
<b>Total</b>	<b>820 393</b>	<b>100.0</b>	<b>945 089</b>	<b>100.0</b>	<b>113 036</b>	<b>99.9</b>	<b>298 062</b>	<b>100.0</b>	<b>2 176 580</b>	<b>100.0</b>
Eliminations (see Statement I, Annex 2)										
Transfers between technical cooperation programmes									(10 590)	
Programme support costs									(55 922)	
<b>Total - International Health Programme</b>									<b>2 110 068</b>	

**Figure 1**

**Indicative Estimates of Expenditure for  
Major Work on Five Diseases**

*(expressed in millions of US dollars)*





**GLOSSARY OF BUDGETARY AND FINANCIAL TERMS  
2000 – 2001**

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

<b>Term</b>	<b>Definition</b>
<b><i>Accrual Accounting</i></b>	The method of recording transactions by which income is reflected in the accounts in the period in which it is due and expenditure is reflected in the accounts in the period in which it has been incurred.
<b><i>Allocation</i></b>	Authorization of extrabudgetary funds for expenditure.
<b><i>Appropriation</i></b>	Amount voted by the Health Assembly for a specified purpose for a financial period, against which obligations may be incurred up to the amount so voted.
<b><i>Assessments</i></b>	Assessments are made against Members on the basis of the Health Assembly Appropriation Resolution in accordance with the scale of assessments approved by the Health Assembly. This is based upon 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, credits due to Members under the financial incentive scheme and casual income appropriated by the Health Assembly to reduce contributions, the resulting net assessments are payable by Members.
<b><i>Budget</i></b>	A plan in financial terms for executing a programme of activities in a specified period.
<b><i>Effective Working Budget</i></b>	The effective working budget represents the approved regular budget, after any transfers between appropriation sections and application of the exchange rate facility, against which the Director-General is authorized to incur obligations.
<b><i>Exchange Rate Facility</i></b>	This facility was established by the Health Assembly to cover losses on foreign exchange in order to maintain the level of the regular budget so that the activities that are represented by the programme budget approved by the Health Assembly may be carried out, irrespective of the effect of currency fluctuations. The Health Assembly approves the limit within which the facility must operate. The facility operates by

<b>Term</b>	<b>Definition</b>
	generating a charge against available casual income to finance the net additional costs of the regular budget resulting from differences between the rates of exchange used to calculate the budget and the United Nations accounting rates of exchange prevailing during the financial period. This mechanism is applied to participating 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.
<b><i>Expenditure</i></b>	Expenditure for a financial period is the total amount of obligations, which is the sum of the disbursements and unliquidated obligations made against the appropriation or allocation of the period. An obligation is a commitment or undertaking creating a liability against the resources of the Organization.
<b><i>Fund Accounting</i></b>	The method of accounting under which each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing group of accounts.
<b><i>Internal Borrowing</i></b>	A mechanism by which, after the Working Capital Fund has been fully utilized, funds otherwise available are used to finance regular budget implementation pending the receipt of assessed contributions. Internal borrowings are repaid when Members pay their arrears of assessed contributions.
<b><i>Revolving Fund</i></b>	A fund established so that income from specified activities may be used to cover the costs of those activities, under which income and expenditure are reported in the financial statements and any surplus may be carried forward to a future period.
<b><i>Unliquidated Obligation</i></b>	That part of an obligation which has not been paid, i.e., an outstanding liability.
<b><i>Savings on Unliquidated Obligations</i></b>	The balance remaining within an unliquidated obligation after payment of all liabilities under that obligation.
<b><i>Unobligated Balance</i></b>	That part of an appropriation or allocation which has not been obligated.
<b><i>Unobligated Balance of Regular Budget Appropriations</i></b>	The unobligated balance of regular budget appropriations at the end of the financial period could either be funded in part, in total or not at all depending on the status of collection of assessed contributions. Any funded part of the unobligated balance of regular budget appropriations is credited to casual income. The unfunded part of the unobligated balance of regular budget appropriations is credited to casual income only when the underlying outstanding assessed contributions are collected.
<b><i>Working Capital Fund</i></b>	A fund established by the Health Assembly consisting of regular budget funds set aside for the purpose of financing regular budget implementation pending receipt of assessed contributions. Withdrawals from the fund are reimbursed when Members eventually pay their arrears of assessed contributions.

**REPORT OF THE EXTERNAL AUDITOR TO  
THE WORLD HEALTH ASSEMBLY ON THE  
FINANCIAL OPERATIONS OF THE  
WORLD HEALTH ORGANIZATION  
FOR THE FINANCIAL PERIOD  
1 JANUARY 2000 TO 31 DECEMBER 2001**



## **REPORT OF THE EXTERNAL AUDITOR TO THE WORLD HEALTH ASSEMBLY ON THE FINANCIAL OPERATIONS OF THE WORLD HEALTH ORGANIZATION FOR THE FINANCIAL PERIOD 1 JANUARY 2000 TO 31 DECEMBER 2001**

### **INTRODUCTION**

1. The audit of the World Health Organization (WHO) was assigned to the Auditor-General of the Republic of South Africa for the 2000-2001 and 2002-2003 financial periods, in terms of resolution WHA 52.8 of the fifty-second meeting of the World Health Assembly.
2. The 2000-2001 financial period has been characterised from a financial perspective, by a continuation of the increasing level of voluntary contributions, an improved rate of collection of assessed contributions and an increase in cash resources and investments. The esteem in which WHO is held has continued to grow and with it, the expectations of its stakeholders.
3. With regard to the external audit of this financial period, the benefit of continuity has allowed for the application of a functional knowledge of the institution. Our evaluation of systems and controls was extended by carrying forward the specialist review of the general information technology (IT) controls at headquarters to the regions. In addition, an in-depth review was carried out on the internal audit function. These and other matters with regard to the audit of the 2000-2001 financial period, which had arisen during the initial stages of the audit, were transmitted to the Fifty-fourth World Health Assembly in document A54/21.
4. During the ensuing phase of the audit, the focus moved to the finalisation of the financial report and appropriate disclosure. Whilst I have expressed an unqualified opinion on the financial statements for the period ended 31 December 2001, a number of observations which should contribute to improvements in the future, have been communicated to the Secretariat and are referred to in this report. In addition, various governance related issues such as, *inter alia*, knowledge management, a code of ethics and the WHO Manual were considered. We have also monitored the progress made by the Secretariat in addressing the issues and recommendations raised by external audit and have worked closely with the Audit Committee in executing our brief.
5. The purpose of this report is to inform the World Health Assembly, at an appropriate level of aggregation, on important matters arising from the external audit of the 2000-2001 financial period. It is with pleasure, therefore, that I submit my report on the financial operations to the World Health Assembly in terms of Financial Regulation XIV.

### **TERMS OF REFERENCE AND AUDIT APPROACH**

6. The audit was performed in accordance with Regulation XIV of the Financial Regulations of WHO and the additional terms of reference governing external audit contained in the Appendix thereto. In accordance with these terms of reference, the auditor shall express an opinion on the financial statements for the financial period and report on the financial operations and various other matters set out therein. In addition, the mandate of the external auditor provides the opportunity to add value to the accountability process in order to assist WHO in achieving its objectives effectively, efficiently and economically.
7. The audit was conducted in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. A comprehensive audit approach, which incorporates financial, compliance and value-added components, was followed in the performance of the audit. Audit activities were carried out at headquarters, at the regional offices and at several country offices.

8. In addition to the audit of WHO, the separate accounts of 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 International Agency for Research on Cancer, the International Computing Centre and the Trust Fund for the Joint United Nations Programme on HIV/AIDS, are examined. The respective audit reports are transmitted separately to the governing bodies or management committees of these related entities.

## **COMMUNICATION AND ACCOUNTABILITY**

### ***Audit Committee***

9. The Audit Committee, which was constituted with a view to promoting accountability and transparency in WHO's financial operations and the maintenance of effective controls, met biannually during the financial period.
10. With regard to external audit, the Committee focused on reviewing the plans of the external auditor, considering my interim report to the Fifty-fourth World Health Assembly and on monitoring the status of implementation of audit recommendations by the Secretariat. It was noted at the Audit Committee's fifth meeting in January 2002, that of the 216 external audit recommendations included in the inventory of recommendations, the Secretariat had fully addressed 126 (58%), while a further 70 (32%) were in the process of being addressed. Action still needed to be taken on the remainder.
11. The level of communication between the Audit Committee and the external auditor, as well as, *inter alia*, the Committee's pro-active role in considering the Secretariat's implementation of recommendations, has been constructive and important in maintaining effective communication at governance level.

### ***Audit Steering Committee***

12. The Audit Steering Committee was established by the Director-General to provide a forum for formal communication between the external auditor and the Secretariat. This committee has continued to meet regularly to facilitate cooperation between external audit and the Secretariat, with due regard to the independence of audit. The Director-General, with a view to further improving this mechanism, has revised the terms of reference outlining the scope of work of the committee, its composition and the periodicity of meetings.

### ***Internal Audit and Oversight***

13. Liaison with the Office of Internal Audit and Oversight continued during the period in order to coordinate our activities and ensure efficiency. Reliance was placed on the work of internal audit to the extent that it related to the audit objectives and focus of the external audit mandate.

## **FINANCIAL MATTERS**

### ***Regular budget and assessed contributions***

14. In my 1998-1999 report, I raised the issue of the status of collection of assessed contributions and the potential effect that late payment may have on the implementation of WHO's regular budget. It is encouraging to note, therefore, that the improvement in the collection of assessed contributions noted in the interim period, continued in 2001. For the 2000-2001 biennium, therefore, of the USD 842 585 210 assessed, USD 778 264 175 had been collected by 31 December 2001. This represents a collection rate of 92 per cent for the biennium.

15. The improvement in the collection rate for the 2000-2001 biennium has, in its turn, resulted in a decrease in the deficit on the regular budget. The deficit of USD 54 186 993 (1998-1999: 68 492 201) for this biennium, was financed from an advance from the Working Capital Fund of USD 29 558 686 (1998-1999: USD 5 381 513) and internal borrowings of USD 24 628 307 (1998-1999: USD 63 110 688). This represents a 61 per cent reduction in internal borrowings.
16. Furthermore, the level of implementation of the regular budget attained a rate of 99 per cent compared to 97 per cent for both the 1996-1997 and 1998-1999 financial periods.
17. While the financial status of the regular budget shows significant improvement, the high level of outstanding assessed contributions from prior financial periods, which amounted to USD 82 340 209 at 31 December 2001, continues to be an area of concern.

### ***Extrabudgetary funding***

18. In my interim report, the trend in the increase of extrabudgetary funding as compared to the regular budget was illustrated. Indeed, for this financial period, extrabudgetary funds from all sources amounted to USD 1 454 108 340 (1998-1999: USD 936 398 005)<sup>1</sup>, its highest level to date. This represents an increase of 55 per cent over the prior biennium and 73 per cent more than the regular budget.
19. This increase in extrabudgetary funds creates new challenges for WHO to effectively manage this resource base in the context of its overall programme of work. In my interim report, I pointed out that the administrative and support costs associated with these funds might have a disproportionate effect on the static regular budget. The Secretariat has undertaken to address these concerns by undertaking a review of the actual costs incurred in this regard.

### ***Financial statement disclosure***

20. The accounting policies and the format of the financial statements for the 1996-1997 financial period underwent significant change in order to comply with the United Nations System Accounting Standards (UNSAS). Since then, the Secretariat has continued to improve the disclosure and understandability of the financial statements. In the 2000-2001 Financial Report, for example, tables are provided indicating the financial implementation of WHO's regular budget and other sources at the organisational level and by appropriation section.
21. During the course of our audit, the financial report and audited financial statements of WHO, as well as those of its related entities, were reviewed in order to determine the extent to which they complied with UNSAS and current best practice. Overall, it was noted that the financial statements of WHO complied, in all material respects, with the requirements of the UNSAS.
22. This review did, however, reveal some areas where presentation and disclosure could be further enhanced. These are being considered by the Secretariat for possible implementation in the next financial period.
23. In recent years a greater emphasis has been placed on corporate governance issues and the responsibility of management to demonstrate its accountability to external stakeholders. This is particularly relevant for WHO in the context of its growing extrabudgetary resources. In this regard, the Director-General may wish, in future financial reports, to include statements concerning her responsibility for preparing the financial statements, accepting the responsibility for maintaining a system of internal control, as well as a statement on the effectiveness of this system and on whether or not standards or codes of corporate governance have been adopted.

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• <sup>1</sup> Includes USD 198 325 904 (1998-1999: USD 86 763 750) in respect of contribution-in-kind of ivermectin tablets from the United States Committee for UNICEF and USD 93 945 778 (1998-1999: USD 43 904 085) in respect of the United Nations Iraq programme (SCR 986).

### ***Imprest accounts***

24. The balances of imprest accounts held by country offices are included in cash as disclosed in Statement II (Statement of Assets, Liabilities and Fund Balances). Disbursements are made by these offices through their imprest accounts and are submitted physically, on a monthly basis, to the regional offices for processing. Due to logistical constraints and the timetable required to ensure the timely preparation of the final accounts, it is not always possible to process imprest returns in time for inclusion in the final accounts. This resulted in inconsistencies with regard to the recording of imprest accounts close to the end of the financial period. While there is no effect on the reported expenditure, this leads to an overstatement of the cash balances and unliquidated obligation balances as disclosed in Statement II by the amount of disbursements not processed. The financial statements have previously noted that imprest account balances have not been adjusted to reflect disbursements too late for inclusion in the accounts of the closing year.
25. During the financial period under review, the Secretariat, taking cognisance of the above-mentioned, decided as a matter of policy to exclude the payments made through imprest accounts for December 2001 in their entirety, in order to promote consistency and in the future, comparability. In practice, all regions did not apply this policy uniformly; however, the processing of imprest returns up until November 2001 showed an improvement. In the current financial period, this overstatement has become more pronounced due to the additional effect of the change in policy and the increase in the level of expenditure. The overstatement of cash balances and unliquidated obligations has been disclosed in Notes 30 and 36 to the financial statements.
26. We have undertaken an analysis of the status of imprest account returns for headquarters, the regions and countries and discussed certain matters arising therefrom with the Secretariat, who have undertaken to review the application of this policy and associated procedures with a view to promoting consistency and disclosure.

## **MANAGEMENT MATTERS**

27. The audit revealed that, in general, the financial records of WHO are reliable and well maintained and that adequate internal controls have been implemented. No weaknesses or errors were noted which were considered to materially affect the fair presentation of the financial statements. Accordingly, an unqualified opinion has been expressed on the financial statements for the financial period ended 31 December 2001.
28. There are, however, a number of areas that were identified during the audit where there is scope for improvement. As mentioned in my interim report, cognisance is taken of the continuing reform measures underway within WHO and the progress already made in this regard. Within the context of continually improving management and accountability processes, the following areas have been highlighted with a view to contributing to this process.

### ***Information and communication technology***

29. A computer audit of the general controls in the IT environment was carried out at headquarters in the previous financial period. As reported in my interim report, this specialist work was carried forward during this financial period with a review of the general controls at a regional office. General controls establish a framework of overall control over the IT environment and provide reasonable assurance that the IT environment supports the overall objectives of internal control. They are important as they serve as the foundation for controls of all application systems and ensure the effective operation of procedures including the controls over the design, implementation, security, use and amendment of programmes and files.
30. The findings of these reviews highlighted that, although some general controls were in place, significant weaknesses existed in the control environment as a whole. The Secretariat has made considerable progress in addressing the operational-level weaknesses identified at both headquarters and the regional office concerned. Certain key organisation-wide strategic issues in respect of information technology and communication continue to be of concern and are summarised below:



### **IT strategy**

Currently, the Secretariat does not have an IT strategy that effectively sets the direction for the management of business information for the organisation. An IT strategy ensures that the organisation takes ownership of its IT, that the benefits of IT are maximised, that the investment in IT infrastructure is coherent and that there is a planned process for business change.

### **IT governance**

The IT governance structure has not been well defined. As a result, historically the development of IT has occurred in an unstructured and inefficient manner resulting in a plethora of systems in use throughout the organisation, with individual clusters and regions taking forward IT strategies on their own initiative. A well-defined governance structure is important to ensure that the IT strategy is successfully implemented through integrated decision-making. It defines who makes decisions about strategy, establishing objectives, allocating responsibilities and resources and monitoring results. It also sets the organisation-wide rules for the provision of information systems and services through their stages of identification, planning, development, implementation, operation and review.

### **IT skills**

The Director-level position responsible for IT remained vacant for several months. A number of vacancies in the IT department at headquarters were filled during the financial period, although significant risks still exist in respect of over-reliance on short-term staff and a lack of continuity planning. In order to ensure the full benefit of IT, staff within an organisation should possess the right skills, knowledge and capabilities. Policies should be put into place to manage the planning, acquisition, deployment, development and necessary updating of staff skills.

31. It is noted that the replacement of the AFI system with a more integrated business solution has been identified as a priority. While this initiative is fully supported, it is noted that this project should not be considered in isolation, but should be part of the longer-term strategy for IT for the organisation.
32. The Secretariat acknowledges these weaknesses and has taken steps to address these. In particular, the Director-General has decided to create a new department, Department of Information Technology and Communications, and establish a new Global Management System project, each under a Director. These changes provide the framework within which these strategic issues can be addressed. These key issues should be taken forward as a priority to ensure that the considerable investment in IT meets the full potential of supporting WHO in achieving its objectives effectively, efficiently and economically.

### **Knowledge management**

33. The General Programme of Work 2002-2005 indicates that if WHO is to respond effectively to a changing international context, several new ways of working are called for, which include, *inter alia*, strategic thinking, prompt action and creative networking. Further, while managing information was recognised as one of the core functions, investing in change in WHO with the development of new skills, systems and processes is listed, amongst others, as organisation-wide priorities.
34. Whilst the Secretariat has taken steps through the Information Management Group, the Web Working Group, the Interim Publishing Review Group and other initiatives to better manage the array of information passing through the organisation, a comprehensive knowledge management strategy document has not been developed. Such a strategy, aligned with the corporate vision and IT strategy, would provide a framework within which information that resides in the organisation can be captured easily, shared willingly and accessed readily within the organisation and by authorised external users. The positive initiatives already undertaken by the Secretariat to effectively manage its considerable knowledge resource are commended and the Secretariat's plans to take forward an organisation-wide knowledge management strategy are commended.

### ***Fraud prevention and contingency policy***

35. Recent international trends have indicated an increase in the incidence of fraud and corruption in both public and private sector organisations. In terms of the Financial Regulations, the Director-General is responsible, *inter alia*, for ensuring effective financial administration of WHO. In instituting procedures to safeguard WHO's assets, the Director-General should ensure that the exposure to the risk of fraud is minimised and that, where WHO falls victim to such an act, the necessary steps are taken to minimise losses.
36. A structured fraud prevention and contingency policy can contribute toward minimising an organisation's exposure to financial loss, adverse publicity and loss of confidence concomitant with fraud. While the Secretariat has put a number of measures in place to protect the organisation from fraud and has detailed a procedure to deal with fraud should it occur, a comprehensive fraud prevention and contingency policy has not yet been developed and implemented.
37. The Secretariat has advised that they take the subject of potential fraud very seriously. In addition to improving the procedure for the reporting and follow-up on fraud or presumptive fraud and losses of cash or property, consideration is being given to the development of an overall policy that would be appropriate for WHO.

### ***Code of ethics and conduct***

38. One of the principles of good governance practice requires that an organisation establish standards of behaviour. The development and implementation of a strong code of ethics and conduct, which carries the support of management and employees, is also a key element in contributing to an environment where the risk of fraud and corruption is minimised.
39. A code of conduct would normally be published both internally and externally. It would commit the organisation to the highest standards of behaviour and be developed in such a way as to involve all its stakeholders to ensure its alignment with the organisation's culture. In addition, it would need to be sufficiently detailed to provide clear guidance on the expected behaviour of employees and detail the disciplinary measures, should it be breached.
40. The Staff Regulations and Staff Rules currently set out the duties and obligations of employees and the required standards of conduct. These have recently been enhanced to require the regular declaration of interests by senior staff members. Further guidance is also provided in various parts of the WHO Manual and policy guidelines.
41. The Secretariat has stated that, within the framework of the human resources reform programme, it has scheduled the development of a staff ethics framework for WHO in line with current best practice. It is planned that this framework will be completed by the end of 2002. This initiative of the Secretariat is strongly encouraged.

### ***Programme planning, monitoring and evaluation***

42. One of the major areas of reform for WHO is the implementation of an integrated process for planning, implementing and monitoring its programmes, together with evaluative and reporting processes. While much progress was made during the 2000-2001 financial period, the shift to a strategic budgeting process, incorporating the principles of results-based budgeting, has proved to be an enormous challenge.

43. During the financial period, the progress made in this regard at headquarters, regional offices and at country level was reviewed and the following observations are made:
- (a) The compliance of work plans with the standard business rules and procedures could be improved, especially in respect of the elaboration of milestones, performance indicators and measurable expected results.
  - (b) A more integrated planning process in respect of all the activities performed by WHO, whether technical or managerial and whether funded by regular or extrabudgetary sources, could be followed. This may require the more timely dissemination of information regarding resources available to programme managers.
  - (c) The responsible units focused on monitoring and reporting the financial implementation rates. The procedure for monitoring technical implementation and reporting this, together with the accompanying financial information, required development.
  - (d) The evaluative processes to be followed, especially at the country level, had not been well defined.
  - (e) The effective use of the Activity Management System (AMS) as an organisation-wide tool to support the integrated process for planning, implementing and monitoring programmes could be improved. The integrity of the financial information on the AMS also needs to be addressed.
  - (f) Some staff required further training in the concepts of results-based budgeting and strategic management.
44. The Secretariat is aware of and is developing strategies to address the weaknesses noted above. It is recognised that the implementation of the integrated strategic budgeting process is an evolutionary process and the Secretariat is encouraged to continue to afford the successful implementation of this process a high priority.

### ***Review of the internal audit function***

45. In my interim report, the results of a review performed of the internal audit function were highlighted. This review was performed to provide an objective assessment of the Office of Internal Audit and Oversight (IAO) against generally accepted good practice. The overall findings of the review revealed that the independence of the IAO had been achieved through its organisational status and that the qualifications, skills and experience of the staff were generally appropriate to fulfil its mandate. There were, however, a number of areas highlighted where IAO had either not kept pace with developments in internal auditing field or where management's expectations are such that IAO should reconsider some of its practices. These areas included, *inter alia*, the risk assessment process, the focus of internal audit, documentation of approach and methodology, reporting basis and continuous improvement techniques.
46. IAO has informed me that they have taken steps to address all the weaknesses identified in my detailed report and have implemented measures to continually review and evaluate their work.

### ***Local cost subsidies***

47. Local cost subsidies are payments made by WHO to cover costs that would otherwise be borne by governments, in order to strengthen their health development capacity and ability to participate more effectively in, or to meet their commitments to, WHO technical cooperation at the country level. Obligations coded as local cost subsidies by WHO as a whole for 2000-2001 financial period in respect of regular budget funds amounted to USD 47 525 282. A further USD 252 553 725 was funded from other sources. In some instances, local cost subsidies account for a significant part of the expenditure incurred by WHO in the country.

48. Funds for the implementation of local cost activities are normally provided in advance. These advances are made to the respective government based on a formal agreement supported by a detailed costing of the activities envisaged. The recipient government is held accountable for the correct use of the funds advanced through the submission of periodic accounting statements. The submission of these financial reports and their subsequent review and certification by the responsible WHO official is an integral part of ensuring proper accountability for the funds so advanced and that the desired outcomes of the planned activity have been achieved.
49. In my reports on the 1996-1997 and 1998-1999 financial periods, concern was expressed regarding the significant number of outstanding financial returns. Audit tests performed during the current biennium again revealed that a large number of returns were outstanding for a considerable amount of time and thus the desired level of assurance regarding accountability for these funds was not always achieved in a timely manner.
50. It is noted that a working group was established during 2001 to review the existing provisions relating to local cost subsidies and to make proposals in this regard, including, *inter alia*, improvements in the accountability mechanism. While the report of this working group was appreciated by the Secretariat, it was decided that a broader review of this issue should be performed including, *inter alia*, an evaluation of the use of local cost subsidies in furthering the objectives of WHO. Accordingly, it is understood that it is the intention of the Secretariat to convene a further working group to take this work forward. The Secretariat has also revised the WHO Manual provisions relating to local costs to provide clearer instruction in respect of the accountability mechanisms to be implemented.
51. A more detailed review of the local cost subsidy mechanism is strongly supported. It is recognised that the cooperation of the recipients of local cost subsidies is imperative in ensuring the success of any initiatives that may be taken to improve the accountability arrangements in respect of this type of expenditure.

### **Fellowships**

52. The fellowship programme of WHO seeks to contribute to the development of human resources in areas corresponding to approved health and health related plans, policies and priorities to ensure the maximum impact on national capacity building in national health administrations. During 2000-2001, WHO incurred expenditure of USD 27 023 401 on fellowships (USD 23 224 828 from regular budget sources). The fellowship programme is an integral part of the work of WHO and, as with its other activities, it is necessary for WHO to ensure that this expenditure is achieving the desired outcomes.
53. This is achieved through the submission of various reports by the fellow, the educational institution and the national health administration. The submission of utilisation reports are particularly important to ensure that fellows honour their commitment to place their services at the disposal of the national health administration for the specified periods and that appropriate steps are taken where the fellow has breached the conditions of award.
54. The audit, as in the past, revealed that a significant number of the required reports as mentioned above are not received within reasonable timeframes for meaningful evaluations to be performed, or are not received at all.
55. The follow-up efforts instituted are recognised. In some instances, it was noted that the follow-up effort requires a significant investment in resources due to the absence of an effective and efficient fellowship monitoring system for use at both country and regional offices. It is also recognised that the various offices were considering measures to encourage the timely submission of reports. These include suspension of stipends, an offer of incentive to be paid on submission of the termination report and making arrangements with educational institutions to withhold final certificates.

56. The follow-up efforts at both country and regional offices should continue to be emphasised as a crucial part of the fellowship programme and measures to improve the submission rate of the required reports continue to be sought and implemented. It is recognised that in respect of the utilisation reports, there is a shared responsibility in this regard with national health administrations, who should be required to demonstrate that the fellowship programme in their country is achieving the expected outcomes to justify the continuance of the programme.

### ***Non-expendable inventories***

57. In my interim report, it was noted that improvements would be advisable with regard to the completeness, accuracy and valuation of the underlying inventory records. Audit work performed at the regional and country offices, as well as at headquarters during the second year of the biennium, revealed that weaknesses still existed in the maintenance of accurate and reliable inventory records.
58. In particular, it was noted that inventory records were not updated with all acquisitions and disposals in a timely manner, did not always contain sufficient information, such as model and serial numbers to allow for identification and did not always contain the value of the inventory item. Inventory records were not systematically compared with or reconciled to the accounting system to ensure the completeness of the records. In some regions, at the time of the audit visit, inventory counts had not been performed for some years.
59. The current provisions of the WHO Manual do not provide adequate guidance in respect of the maintenance of inventory records that meet both the objectives of control in respect of the safeguarding and custody of assets as well as providing reliable information for the disclosure requirements of the United Nations System Accounting Standards.
60. In the closure instructions for 2000-2001, responsible officials were reminded of the requirements of the United Nations System Accounting Standards and were provided with guidance as to the valuation method to be used.
61. As noted in my interim report, it would be ideal in the longer term to introduce integrated asset management systems, to effectively and efficiently record inventories of non-expendable equipment. It was noted that certain regions were in the process of or were intending to introduce better systems for recording inventories. However, since the implementation of an integrated system will only be achieved in the longer term, interim measures should be introduced to improve the processes for the recording, the valuation and the control of inventory. The Secretariat has undertaken to consider the recommendations made on a global basis.

### ***Management of bank and imprest accounts***

62. The review of the management of bank and imprest accounts revealed, in general, an improvement in the timeliness of bank reconciliations and journalisations of imprest accounts. However, instances were noted where bank accounts had not been reconciled on a timely basis. As a result, reconciling items were not queried and cleared on a timely basis.
63. It was noted that, for a number of imprest accounts, only one signatory was required. The practice of having two signatories on bank accounts is considered a fundamental internal control and the authorisation of one signatory should only be considered in exceptional circumstances. The Secretariat has indicated that they will be seeking to implement dual signatories for all imprest accounts.

## **WHO Manual**

64. In my interim report, it was noted that, in view of the ongoing reform process, a comprehensive review of the WHO Manual is necessary which would address important aspects such as, *inter alia*, organisational structures, modern management processes and practices and clear definitions of accountability. In this regard, the Secretariat has progressed with the ongoing review, specifically in the financial sections, with significant improvements to be implemented shortly. The responsibility for the review of the remaining sections of the WHO Manual should be clarified and timetables agreed for this important initiative.

## **Allotment and expenditure control**

65. The Financial Regulations and Financial Rules state that obligations may be raised only for the purpose indicated on the allotment and may not exceed the amount available in the allotment. A review of allotment control during the biennium and the status of allotments at the end of the financial period, revealed some instances where allotments were exceeded by obligations. While it is recognised that an effort is made at the end of the biennium to ensure that allotments are not exceeded, this should be done more effectively during the financial period.

66. Instances were also noted where disbursements were processed in excess of the amount available in the obligation. In these circumstances, the responsible person authorising the original obligation was not required to approve an increase in the obligation. The procedure for the revision of obligations and the review of the report reflecting variances on disbursements should be reviewed to ensure the effective management of obligations.

## **Unliquidated obligations**

67. During the audit, it was noted that the changes in the Financial Regulations, together with explanatory guidance issued, clarified the criteria for the establishment of obligations, with particular emphasis on the criteria for the valid carry forward of an obligation to the next financial period. Furthermore, a considerable improvement in the management of unliquidated obligations brought forward from the prior biennium was noted.

68. While the steps taken to improve the effective management of unliquidated obligations are commended, audit tests performed during the financial period continued to reveal some obligations that no longer reflected a valid legal liability of WHO as the underlying contracts had expired. The vigorous, timely and continuous review of unliquidated obligations should continue to be emphasised as an important financial management control.

## **Proof of goods received**

69. In my 1996-1997 and 1998-1999 reports, it was reported that when goods are procured by headquarters on behalf of regional and country offices, the receiving reports, which serve as proof that the goods have been received, are kept by the regional office and are not forwarded to headquarters prior to the payment of the invoice. Under the payment and shipping terms for goods procured in headquarters, suppliers are paid once the goods have been received by the forwarding agents. Regional and country offices have sixty days to advise headquarters if the goods have not been received or have not been received in good order for a claim to be lodged with the insurers. Within this system, it is important for regional offices to ensure that all receiving reports are completed within the sixty-day period to protect the organisation from any potential loss. The work performed during the financial period revealed that not all regional offices had adequate mechanisms to monitor the receipt of receiving reports.

70. While future developments in the procurement system will improve controls in this area, the regional offices should, together with the country offices, ensure that interim measures are implemented to ensure adequate controls in this area.

### **Personal accounts**


71. A review of the personal accounts at headquarters and at the regions revealed that the long outstanding balances that had accumulated in the personal accounts were being addressed and significant progress had been made in this regard. The processes for the recovery of advances and the management of personal accounts over the longer term should be reviewed.

### **Compliance with the staff regulations and staff rules**

72. Tests performed on the personnel files of both fixed and short-term employees revealed instances where documentation required by the Staff Regulations and the Staff Rules had not been obtained from employees and placed on the file. Documentation not on the files included, *inter alia*, signed notices of acceptance of the offer of appointment, proof of medical examination, proof of qualifications and performance appraisals. Instances were also noted where the employment contract was only signed after the commencement of employment. The Secretariat has advised that an instruction will be given in the near future on the overall need for compliance with the Staff Regulations and the Staff Rules.

## **ACKNOWLEDGEMENT**

73. I wish to record my appreciation for the cooperation and assistance extended by the Director-General, the Regional Directors and the staff of the World Health Organization during my audit.



S A Fakie  
External Auditor  
Auditor-General of the Republic of South Africa

Pretoria, Republic of South Africa  
20 March 2002