



WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY
Provisional agenda item 16.1

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Unaudited Interim Financial Report for the year 2002

Financial period 2002-2003

* Information on income received and expenditure incurred during 2002 under extrabudgetary sources of funds is contained in the Annex (document A56/28 Add.1), which accompanies and forms part of the Unaudited Interim Financial Report for the year 2002.

Unaudited Interim Financial Report for the year 2002 Financial period 2002-2003

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Introduction

The Unaudited Interim Financial Report of the Organization for the year 2002 is submitted in accordance with Article 34 of the Constitution and the Financial Regulations, which provide for an interim financial report to be prepared at the end of the first year of the financial period, and for a final audited financial report for the biennium at the end of the second year of the financial period. The interim financial report shows the expenditure of the Organization for the first year of the biennium in relation to the budget for all sources of funds. Implementation of the Programme budget 2002-2003 is presented in the same format as that of the regular budget adopted by the Health Assembly and the Other Sources budget noted by the Assembly, thus showing the total financial position in respect of each area of work.

In the context of the continuing process of improving transparency of the financial information provided by the Organization, some changes have been incorporated into the present interim report. Presentation follows the Financial Regulations which stipulates that the regular budget is financed by both assessed contributions from Members and Miscellaneous Income. Presentation of the Working Capital Fund and Internal Borrowing (Schedule 4, page 43) has been simplified so that both the full amount of borrowing and the movements during the year are easier to understand. Resolution WHA 55.9 simplified the accounting treatment of expenditure charged to the Revolving Sales Fund. All of the transactions of the Fund are now shown under one account in Statement I.1 (pages 8 and 9).

It should be noted that the Working Capital Fund and internal borrowing are used to finance implementation of the regular budget pending the receipt of assessed contributions from Member States. As at 31 December 2002 the Working Capital Fund of US\$ 31 million is fully utilized and US\$ 76 million was borrowed internally, giving a total borrowing of US\$ 107 million. This is a result of both a lower rate of collection of assessed contributions in 2002 than in previous years and the rate of implementation of the regular budget.

The rate of collection of assessed contributions for 2002 is 82%. This is lower than the rate of 87% in 2000, the first year of the previous biennium. Total unpaid assessed contributions have increased from US\$ 144 million at 31 December 2000 to US\$ 169 million at 31 December 2002. Over the past twelve months, long-term arrears have shown a disproportionate increase, from US\$ 82 million at 31 December 2001 to US\$ 98 million at 31 December 2002.

As summarized in the Financial highlights below, the total income for WHO programme activities in 2002 is US\$ 1 billion. This level of income is in line with the strong growth of income recorded since the 1998-1999 biennium which had a total income of US\$ 1.8 billion. Expenditure for WHO programme activities in 2002 is US\$ 1.1 billion, which compares well with US\$ 2.1 billion in the previous biennium.

<i>Financial highlights</i> (in US\$ millions)	1998-1999	2000-2001	2002
<i>Income</i>			
Total	2 200	2 700	1 200
of which: WHO programme activities	1 800	2 300	1 000
<i>Expenditure</i>			
Total	2 000	2 500	1 300
of which: WHO programme activities	1 700	2 100	1 100
Voluntary Fund for Health Promotion	562	945	533
<i>Regular budget</i>			
Assessed contributions and Miscellaneous Income	843	843	427^a
Unpaid assessments	165	147	169^b
of which: Long-term arrears	71	82	98
<i>Extrabudgetary resources</i>			
Total	931	1 453 ^c	614
of which: Voluntary Fund for Health Promotion	650	1 117	447
United Nations programmes	90	93	74
WHO trust funds	191	240	93

^a The total budget for 2002-2003 adopted by resolution WHA 54.20 is US\$ 856 million, of which US\$ 807 million is financed by assessed contributions and US\$ 49 million by Miscellaneous Income.

^b Shortfall in payments are covered in part by the Working Capital Fund and internal borrowing.

^c Of which US\$ 583 million received in 2000.

The level of the regular budget has not changed significantly since the biennium 1996-1997. The financial implementation of WHO's Programme budget 2002-2003 for the year 2002 is summarized in Table 1 on page 51. The overall level of implementation for the regular budget in 2002 is 56% of the total amount for the biennium. Figure 1 shows the proportion of the regular budget for 2002-2003 allocated to each office, and Figure 2 shows the level of implementation by each office in 2002.

Figure 1 - Regular budget summary by office, 2002-2003
(US\$ thousand and percentage)

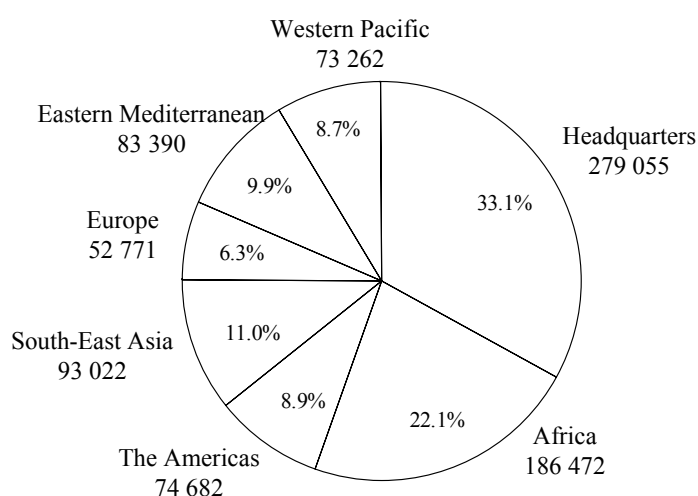
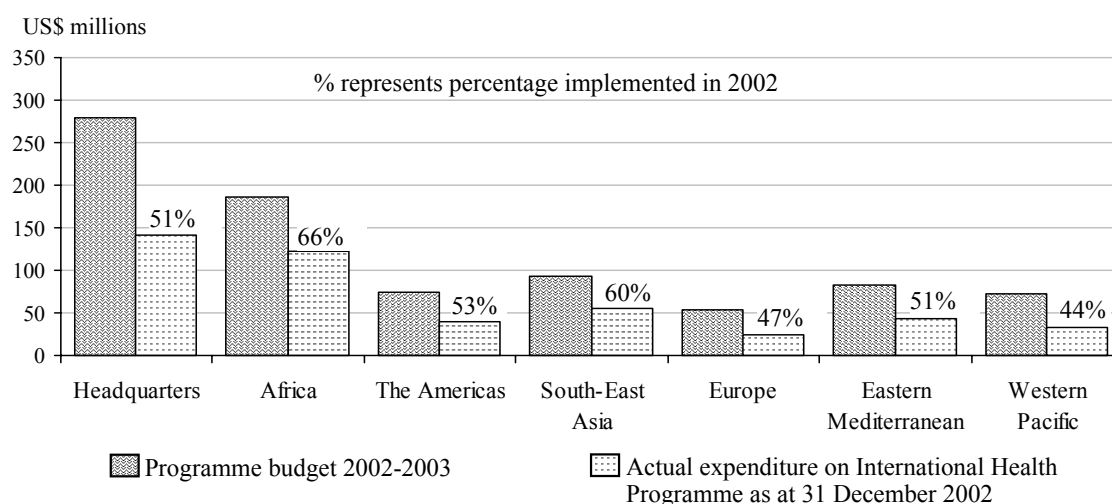


Figure 2 - Implementation of regular budget by office, 2002-2003 (as at 31 December 2002)



The overall level of implementation for extrabudgetary resources is 51% of the budget for 2002-2003. Extrabudgetary income of US\$ 614 million in 2002 compares favourably with total extrabudgetary income of US\$ 931 million for 1998-1999 and of US\$ 583 million in 2000, the first year of the previous biennium. Expenditure financed from extrabudgetary resources continues to increase. For the Voluntary Fund for Health Promotion, the rate of implementation (expenditure compared to income) has increased from 85% in 2000-2001 to 119% in 2002. However, it should be noted that there may not always be a direct correlation between the timing of the receipt of extrabudgetary resources and the implementation (expenditure) of that income. As a consequence, the balance of the Voluntary Fund for Health Promotion has shown a reduction from US\$ 444 million at 31 December 2001 to US\$ 357 million at 31 December 2002.

Table 2 on pages 52 and 53 shows the financial implementation for all sources of funds by area of work for all offices.

Table 3 on pages 54 and 55 shows equivalent information for headquarters, pages 56 and 57 for the Regional Office for Africa, pages 58 and 59 for the Regional Office for the Americas, pages 60 and 61 for the Regional Office for South-East Asia, pages 62 and 63 for the Regional Office for Europe, pages 64 and 65 for the Regional Office for the Eastern Mediterranean, and pages 66 and 67 for the Regional Office for the Western Pacific.

Unaudited Interim Financial Statements and Schedules and Notes to the Accounts 2002

This part of the Unaudited Interim Financial Report presents the overall financial position of the Organization as at 31 December 2002. 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 in 2002. The notes to the accounts are an integral part of the financial statements. Where appropriate, comparative figures are provided in respect of the previous biennium.

Statement I

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances
All Sources of Funds
Unaudited Interim Financial Report for the year 2002**

(expressed in US dollars)

	Reference	Regular Budget & Working Capital Fund (Schedules 3,4; Note 2.22)	Other WHO Funds (Statement I.1)	Voluntary Fund for Health Promotion (Schedule 2)	Trust Funds (Statement I.2, I.3, I.4)
INCOME:					
Assessed contributions:	Note 2.5				
- For the effective working budget (2002)		395 219 391	2 666 780		
- New and formerly inactive Members	Note 2.6				
<i>Total assessed contributions</i>		395 219 391	2 666 780		
Voluntary contributions:					
- WHO programme activities	Notes 2.8,4			422 001 880	89 915 537
- Non-WHO programme activities	Note 2.10				185 240 191
Other income:					
- Assessment relief forgone by Member States			4 633 116		
- Revenue-producing activities	Notes 2.11,5		3 006 240		479 503
- Funds under inter-organization arrangements	Note 13				73 504 107
- Income from services rendered	Note 6		68 356 203		
- Interest income	Note 2.12		19 936 483	25 180 860	19 597 586
- Gains (losses) on hedging operations	Note 7	1 799 885	3 023 664		
- Other	Note 8		8 076 405		54 513 275
<i>Total income</i>		397 019 276	109 698 891	447 182 740	423 250 199
EXPENDITURE:					
International health programme	Notes 2.13,9	461 097 046	68 989 732	532 835 420	174 714 463
Other purposes		3 000 000	12 637 956		212 965 586
<i>Total expenditure</i>		464 097 046	81 627 688	532 835 420	387 680 049
EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE					
		(67 077 770)	28 071 203	(85 652 680)	35 570 150
Provision for delays in the collection of assessed contributions		(70 967 510)			
Return to Members against assessed contributions					
Payment of assessed contributions of prior years	Note 10	48 201 415			
Savings on unliquidated obligations	Note 2.14		2 662 259		6 518 138
Increase in Capital Assets					
Transfers between funds	Annex 1	38 960 573	(38 960 573)	(722 417)	722 417
TOTAL CHANGES IN FUND BALANCES	Statement III	(50 883 292)	(8 227 111)	(86 375 097)	42 810 705
FUND BALANCES - 1 JANUARY 2002	Statement II	(24 628 307)	252 323 534	443 766 060	365 071 045
FUND BALANCES - 31 DECEMBER 2002	Statement II	(75 511 599)	244 096 423	357 390 963	407 881 750

Statement I (continued)

Equity in Capital Assets (Note 2.19)	Interest Accrued- Unapportioned (Note 2.12)	Sub-Totals	Eliminations (Statement I, Annex 2; Note 2.15)	Totals 2002	Totals 2000-2001	
						INCOME:
		397 886 171		397 886 171	842 585 210	<i>Assessed contributions:</i>
					107 927	- For the effective working budget (2002)
						- New and formerly inactive Members
		397 886 171		397 886 171	842 693 137	<i>Total assessed contributions</i>
		511 917 417	(8 050 879)	503 866 538	1 300 827 375	<i>Voluntary contributions:</i>
		185 240 191	(14 381 347)	170 858 844	243 023 648	- WHO programme activities
						- Non-WHO programme activities
		4 633 116		4 633 116		<i>Other income:</i>
		3 485 743		3 485 743	6 889 930	- Assessment relief forgone by Member States
		73 504 107		73 504 107	92 701 756	- Revenue-producing activities
		68 356 203	(70 460 798)	(2 104 595)	17 317 339	- Funds under inter-organization arrangements
	(12 774 425)	51 940 504		51 940 504	130 285 955	- Income from services rendered
		4 823 549		4 823 549		- Interest income
		62 589 680	(34 005 448)	28 584 232	97 621 171	- Gains (losses) on hedging operations
						- Other
	(12 774 425)	1 364 376 681	(126 898 472)	1 237 478 209	2 731 360 311	<i>Total income</i>
		1 237 636 661	(97 095 158)	1 140 541 503	2 110 068 042	EXPENDITURE:
		228 603 542	(24 908 266)	203 695 276	400 028 275	International health programme
						Other purposes
		1 466 240 203	(122 003 424)	1 344 236 779	2 510 096 317	<i>Total expenditure</i>
	(12 774 425)	(101 863 522)	(4 895 048)	(106 758 570)	221 263 994	EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE
		(70 967 510)		(70 967 510)	(64 321 035)	Provision for delays in the collection of assessed contributions
		-			(9 138 043)	Return to Members against assessed contributions
		48 201 415		48 201 415	82 370 651	Payment of assessed contributions of prior years
		9 180 397		9 180 397	21 736 740	Savings on unliquidated obligations
					2 099 842	Increase in Capital Assets
						Transfers between funds
	(12 774 425)	(115 449 220)	(4 895 048)	(120 344 268)	254 012 149	TOTAL CHANGES IN FUND BALANCES
66 887 366	16 390 408	1 119 810 106	(46 571 616)	1 073 238 490	819 226 341	FUND BALANCES - 1 JANUARY 2002
66 887 366	3 615 983	1 004 360 886	(51 466 664)	952 894 222	1 073 238 490	FUND BALANCES - 31 DECEMBER 2002

Statement I.1

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Other WHO Funds**

Unaudited Interim Financial Report for the year 2002

(expressed in US dollars)

	Reference	Miscellaneous Income (Schedule 5)	Casual Income - Appropriated for Priority Programmes	Holding Account (Statement I, Annex 1; Note 28)	Real Estate Fund (Schedule7)	RFTLE* SAIDPP** SARF***	Revolving Sales Fund (Note 11)
INCOME:							
<i>Assessed contributions:</i>							
- For the effective working budget (2002)	Note 2.5						
- New and formerly inactive Members	Note 2.6						
<hr/>							
<i>Total assessed contributions</i>							
<i>Voluntary contributions:</i>							
- WHO programme activities	Notes 2.8,4						
<i>Other income:</i>							
- Assessment relief forgone by Member States		4 633 116					
- Revenue-producing activities	Notes 2.11,5				184 493	100 000	2 423 676
- Income from services rendered	Note 6						
- Interest income	Note 2.12	9 139 930			58 180	10 810	
- Gains (losses) on hedging operations	Note 7						
- Exchange rate facility							
- Other	Note 8	(951 595)			3 000 000		
<hr/>							
<i>Total income</i>		12 821 451			3 242 673	110 810	2 423 676
<hr/>							
EXPENDITURE:							
International health programme	Notes 2.13,9		1 105 023			45 079	3 988 566
Other purposes					1 932 655		
<hr/>							
<i>Total expenditure</i>			1 105 023		1 932 655	45 079	3 988 566
<hr/>							
EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE							
		12 821 451	(1 105 023)		1 310 018	65 731	(1 564 890)
<hr/>							
Payment of assessed contributions of prior years	Note 10						
Savings on unliquidated obligations	Note 2.14	2 662 259					
Transfers between funds	Annex 1	(47 978 813)		9 018 240			7 926 996
<hr/>							
TOTAL CHANGES IN FUND BALANCES	Statement I	(32 495 103)	(1 105 023)	9 018 240	1 310 018	65 731	6 362 106
FUND BALANCES - 1 JANUARY 2002	Statement II	44 014 601 (a)	3 638 374	13 395 523	557 442	403 290	500 000
FUND BALANCES - 31 DECEMBER 2002	Statement II	11 519 498	2 533 351	22 413 763	1 867 460	469 021	6 862 106

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

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

*** SARF: *Special Account for the WHO Renewal Fund*

(a) *Transferred from Casual Income on 1 January 2002*

Statement I.1 (continued)

Special Account for Concessions at Headquarters (Note 12)	Security Fund	Special Account for Servicing Costs (Schedule 6)	Tax Equalization Fund (Notes 2.7,3)	Terminal Payments Account	Totals 2002	Totals 2000-2001		
							INCOME:	
							<i>Assessed contributions:</i>	
			2 666 780		2 666 780	7 212 000	- For the effective working budget (2002)	
						107 927	- New and formerly inactive Members	
			2 666 780		2 666 780	7 319 927	<i>Total assessed contributions</i>	
							<i>Voluntary contributions:</i>	
						561 169	- WHO programme activities	
							<i>Other income:</i>	
					4 633 116		- Assessment relief forgone by Member States	
298 071					3 006 240	5 889 821	- Revenue-producing activities	
		58 555 411		9 800 792	68 356 203	106 145 864	- Income from services rendered	
184 350	198 200	6 768 900		3 576 113	19 936 483	46 643 268	- Interest income	
		3 023 664			3 023 664		- Gains (losses) on hedging operations	
						12 101 700	- Exchange rate facility	
	6 028 000				8 076 405	(413 629)	- Other	
482 421	6 226 200	68 347 975	2 666 780	13 376 905	109 698 891	178 248 120	<i>Total income</i>	
							EXPENDITURE:	
	3 306 820	60 544 244			68 989 732	86 839 717	International health programme	
254 808			3 343 360	7 107 133	12 637 956	45 175 194	Other purposes	
254 808	3 306 820	60 544 244	3 343 360	7 107 133	81 627 688	132 014 911	<i>Total expenditure</i>	
							EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE	
227 613	2 919 380	7 803 731	(676 580)	6 269 772	28 071 203	46 233 209		
							7 602 828	Payment of assessed contributions of prior years
					2 662 259	12 811 621	Savings on unliquidated obligations	
			(7 926 996)		(38 960 573)	(34 295 161)	Transfers between funds	
227 613	2 919 380	(123 265)	(676 580)	6 269 772	(8 227 111)	32 352 497	TOTAL CHANGES IN FUND BALANCES	
3 830 903		140 796 882	6 607 610	38 578 909	252 323 534	219 971 037	FUND BALANCES - 1 JANUARY 2002	
4 058 516	2 919 380	140 673 617	5 931 030	44 848 681	244 096 423	252 323 534	FUND BALANCES - 31 DECEMBER 2002	

Statement I.2

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Trust Funds – Inter-organization Arrangements
Unaudited Interim Financial Report for the year 2002**

(expressed in US dollars)

	Reference	Technical Cooperation			
		UN Development Programme	UN Population Fund	UN Environment Programme	UN Drug Control Programme
INCOME:					
<i>Other income:</i>					
- Funds under inter-organization arrangements	Note 13	(5 595 808)	5 590 000	686 458	531 550
- Interest income	Note 2.12				
- Other		8 108	57 016		
<i>Total income</i>		(5 587 700)	5 647 016	686 458	531 550
EXPENDITURE:					
International health programme	Notes 2.13,9	537 700	7 005 683	356 568	376 702
<i>Total expenditure</i>		537 700	7 005 683	356 568	376 702
EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE					
		(6 125 400)	(1 358 667)	329 890	154 848
Savings on unliquidated obligations	Note 2.14	264 629	143 092		20 490
Transfers between funds					
TOTAL CHANGES IN FUND BALANCES	Statement I	(5 860 771)	(1 215 575)	329 890	175 338
FUND BALANCES - 1 JANUARY 2002	Statement II	4 654 493	(2 787 876)	(182 105)	(539 283)
FUND BALANCES - 31 DECEMBER 2002	Statement II	(1 206 278)	(4 003 451)	147 785	(363 945)

Statement I.2 (continued)

Technical Cooperation		Supply Services		Totals		
UN Iraq Programme SCR 986	Other UN Funds	Other UN Organizations	2002	2000-2001		
						INCOME:
						<i>Other income:</i>
68 124 092	2 501 910	1 665 905	73 504 107	92 701 756		- Funds under inter-organization arrangements
1 110 600	3 880		1 114 480	274 250		- Interest income
(577 230)	143 101		(369 005)	(228 767)		- Other
68 657 462	2 648 891	1 665 905	74 249 582	92 747 239		<i>Total income</i>
						EXPENDITURE:
73 810 365	3 137 531	1 675 637	86 900 186	89 498 939		International health programme
73 810 365	3 137 531	1 675 637	86 900 186	89 498 939		<i>Total expenditure</i>
(5 152 903)	(488 640)	(9 732)	(12 650 604)	3 248 300		EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE
						Savings on unliquidated obligations
1 691 086		(1 139 175)	428 211	563 094		Transfers between funds
(3 461 817)	(488 640)	(1 148 907)	(11 670 482)	3 851 580		TOTAL CHANGES IN FUND BALANCES
	1 431 293	1 355 718	3 932 240	80 660		FUND BALANCES - 1 JANUARY 2002
(3 461 817)	942 653	206 811	(7 738 242)	3 932 240		FUND BALANCES - 31 DECEMBER 2002

Statement I.3

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Trust Funds – WHO Programme Activities
Unaudited Interim Financial Report for the year 2002**

(expressed in US dollars)

		Technical Cooperation				
Reference	Global Programme on AIDS	Onchocerciasis Control Programme	African Programme for Onchocerciasis Control	Sasakawa Health Trust Fund	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	
INCOME:						
<i>Voluntary contributions:</i>						
- WHO programme activities	Note 2.8	12 600 000	10 000 000	4 865 000	30 027 643	
<i>Other income:</i>						
- Revenue-producing activities	Notes 2.11,5	66 871	340		561	
- Interest income	Note 2.12	10 680	(56 370)	359 090	551 080	
- Other		44 429	38 764		(317 543)	
<i>Total income</i>		10 680	12 654 930	10 398 194	5 416 080	
EXPENDITURE:						
International health programme	Notes 2.13,9	(262 335)	12 194 050	9 067 856	6 740 273	
<i>Total expenditure</i>		(262 335)	12 194 050	9 067 856	6 740 273	
EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE						
		273 015	460 880	1 330 338	(1 324 193)	
Savings on unliquidated obligations	Note 2.14		564 536	1 288 655	300 651	
Transfers between funds	Annex 1				235 274	
TOTAL CHANGES IN FUND BALANCES	Statement I	273 015	1 025 416	2 618 993	(1 023 542)	
FUND BALANCES - 1 JANUARY 2002	Statement II	223 749	(628 321)	(1 583 051)	9 267 757	
FUND BALANCES - 31 DECEMBER 2002	Statement II	496 764	397 095	1 035 942	8 244 215	
		18 070 466				

Statement I.3 (continued)

Technical Cooperation			Supply Services		Totals		
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	2002	2000-2001		
							INCOME:
							<i>Voluntary contributions:</i>
11 360 297	3 553 091	12 651 348	4 858 158	89 915 537	234 535 731		- WHO programme activities
							<i>Other income:</i>
411 731				479 503	1 000 109		- Revenue-producing activities
567 240	123 610	16 810		2 721 250	5 582 380		- Interest income
9 944				(224 406)	(696 256)		- Other
12 349 212	3 676 701	12 668 158	4 858 158	92 891 884	240 421 964		<i>Total income</i>
							EXPENDITURE:
15 016 410	3 899 123	14 790 680	5 296 389	87 814 277	234 758 941		International health programme
15 016 410	3 899 123	14 790 680	5 296 389	87 814 277	234 758 941		<i>Total expenditure</i>
							EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE
(2 667 198)	(222 422)	(2 122 522)	(438 231)	5 077 607	5 663 023		
225 082				3 039 266	5 054 167		Savings on unliquidated obligations
487 143		(551 911)		170 506	771 750		Transfers between funds
(1 954 973)	(222 422)	(2 674 433)	(438 231)	8 287 379	11 488 940		TOTAL CHANGES IN FUND BALANCES
9 580 817	3 527 260	18 826 367	3 116 483	49 717 971	38 229 031		FUND BALANCES - 1 JANUARY 2002
7 625 844	3 304 838	16 151 934	2 678 252	58 005 350	49 717 971		FUND BALANCES - 31 DECEMBER 2002

Statement I.4

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances
Other Trust Funds and Associated Entities
Unaudited Interim Financial Report for the year 2002**

(expressed in US dollars)

	Reference	Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS) (Note 14)	International Agency for Research on Cancer (Note 14)	International Computing Centre (Note 14)	Staff Health Insurance (Notes 14,15)	The Global Fund to fight AIDS, Tuberculosis and Malaria (Note 14)
INCOME:						
<i>Voluntary contributions:</i>						
- Non-WHO programme activities	Note 2.10	116 842 144	33 476 232			28 477 968
<i>Other income:</i>						
- Interest income	Note 2.12	4 873 410			10 635 516	
- Other				15 528 077	38 538 670	
<i>Total income</i>		121 715 554	33 476 232	15 528 077	49 174 186	28 477 968
EXPENDITURE:						
Other purposes	Notes 2.13,9	108 147 881	30 566 554	27 747 877	29 793 200	10 161 286
<i>Total expenditure</i>		108 147 881	30 566 554	27 747 877	29 793 200	10 161 286
EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE						
		13 567 673	2 909 678	(12 219 800)	19 380 986	18 316 682
Savings on unliquidated obligations	Note 2.14	3 050 661				
Transfers between funds	Annex 1					
TOTAL CHANGES IN FUND BALANCES	Statement I	16 618 334	2 909 678	(12 219 800)	19 380 986	18 316 682
FUND BALANCES - 1 JANUARY 2002	Statement II	56 624 627	20 741 560	3 672 706	223 500 118	
FUND BALANCES - 31 DECEMBER 2002	Statement II	73 242 961	23 651 238	(8 547 094)	242 881 104	18 316 682

Statement I.4 (continued)

Special Account for Headquarters Extension and Repayment of the Swiss Loan (Note 27)	Other funds (Note 16)	Foundations (Note 17)	2002	Totals 2000-2001 (Re-stated, Note 2.12)	
					INCOME:
	6 443 847		185 240 191	253 302 073	<i>Voluntary contributions:</i> - Non-WHO programme activities
	155 520	97 410	15 761 856	20 949 869	<i>Other income:</i> - Interest income
1 006 711		33 228	55 106 686	98 959 823	- Other
1 006 711	6 599 367	130 638	256 108 733	373 211 765	<i>Total income</i>
					EXPENDITURE:
	6 476 515	72 273	212 965 586	365 131 506	Other purposes
	6 476 515	72 273	212 965 586	365 131 506	<i>Total expenditure</i>
1 006 711	122 852	58 365	43 143 147	8 080 259	EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE
			3 050 661	3 307 858	Savings on unliquidated obligations
				2 189 569	Transfers between funds
1 006 711	122 852	58 365	46 193 808	13 577 686	TOTAL CHANGES IN FUND BALANCES
	4 741 014	2 140 809	311 420 834	297 843 148	FUND BALANCES - 1 JANUARY 2002
1 006 711	4 863 866	2 199 174	357 614 642	311 420 834	FUND BALANCES - 31 DECEMBER 2002

Statement I, Annex 1

Transfers Between Funds
Inter-fund transfers as detailed in the following table, were made during 2002
(expressed in US dollars)

Reference	Regular Budget & Working Capital Fund	Miscellaneous Income	Holding Account	Revolving Sales Fund	Special Account for Servicing Costs
Appropriated for the effective working budget, 2002-2003 (Financial Regulation 6.5 and resolutions WHA54.20 and WHA55.7)		22 413 763	(22 413 763)		
Appropriated for the effective working budget, 2002-2003 (resolutions WHA54.17 and WHA54.20)	(25 565 050)	25 565 050			
Appropriated for the effective working budget, 2002-2003 (resolutions WHA53.5, WHA54.8 and WHA54.20)	(13 395 523)		13 395 523		
Balance as at 31 December 2001 to Revolving Sales Fund (resolution WHA55.9)				(7 926 996)	7 926 996
Other programme transfers					
Total	(38 960 573)	47 978 813	(9 018 240)	(7 926 996)	7 926 996

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 I (continued)

UN Iraq Programme SCR 986	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	
						Appropriated for the effective working budget, 2002-2003 (Financial Regulation 6.5 and resolutions WHA54.20 and WHA55.7)
						Appropriated for the effective working budget, 2002-2003 (resolutions WHA54.17 and WHA54.20)
						Appropriated for the effective working budget, 2002-2003 (resolutions WHA53.5, WHA54.8 and WHA54.20)
						Balance as at 31 December 2001 to Revolving Sales Fund (resolution WHA55.9)
(1 691 086)	722 417	(235 274)	(487 143)	551 911	1 139 175	Other programme transfers
(1 691 086)	722 417	(235 274)	(487 143)	551 911	1 139 175	Total

* 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

(expressed in US dollars)

1. During 2002 amounts have been transferred between funds. To maintain the integrity of each fund, income and expenditure has been recorded in each of these funds. On consolidation this results in a duplication of income and expenditure which is eliminated in order to reflect the net costs of programme delivery.

Originating Fund	Receiving Fund	Income	Expenditure
<i>Regular Budget</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	2 081 668	2 081 668
	Onchocerciasis Control Programme	250 000	250 000
	African Programme for Onchocerciasis Control	50 000	50 000
	Real Estate Fund	3 000 000	3 000 000
	Security Fund	2 528 000	2 528 000
<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	2 500 000	2 500 000
<i>African Programme for Onchocerciasis Control</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	1 620 000	1 620 000
<i>Onchocerciasis Control Programme</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	225 000	225 000
<i>Voluntary Fund for Health Promotion</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	1 324 211	1 324 211
<i>UNAIDS</i>	Trust Fund for the UNDP/UNFPA/WHO/World Bank Special Programme of Research, Development and Research Training in Human Reproduction	338 000	338 000
	Voluntary Fund for Health Promotion	14 043 347	14 043 347
	Special Account for Servicing Costs	1 604 595	1 604 595
<i>International Computing Centre</i>	Special Account for Servicing Costs	500 000	500 000
<i>All funds</i>	Terminal Payments Account	9 800 792	9 800 792
	Staff Health Insurance	24 977 448	24 977 448
<i>Special Account for Servicing Costs</i>	Security Fund	3 500 000	3 500 000
		<u>68 343 061</u>	<u>68 343 061</u>

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 extrabudgetary funds and in the Special Account for Servicing Costs.

<i>Income from services rendered</i>	Programme support costs received	58 555 411	
<i>Expenditure - International health programme</i>	Programme support costs charged against extra-budgetary funded activities		53 660 363
Total income accounted for twice		<u>126 898 472</u>	
Total expenditure accounted for twice			<u>122 003 424</u> a)

- a) The difference between the income and expenditure eliminations of \$ 4 895 048 arises out of timing differences and is included in the Special Account for Servicing Costs balance in Schedule 6. Programme support costs earned in a biennium are not available for expenditure until the following biennium.

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Statement II

**Unaudited Statement of Assets, Liabilities and Fund Balances
as at 31 December 2002**

(expressed in US dollars)

	Reference	2002	2001
ASSETS			
Cash	Notes 2.16,18		
At banks, in transit and on hand	Schedule 1	115 082 956	130 180 971
Deposits and securities	Schedule 1, Notes 2.17,2.18	1 279 068 541	1 283 464 037
Accounts receivable			
Assessed contributions receivable from Member States	Schedule 3	169 427 339	146 661 244
Less: Provision for the delays in the collection of assessed contributions		<u>(169 427 339)</u>	<u>(146 661 244)</u>
<i>Net assessed contributions</i>		<u>-</u>	<u>-</u>
Sundry debtors	Note 20	<u>76 390 447</u>	<u>45 560 413</u>
<i>Total accounts receivable</i>		76 390 447	45 560 413
Prepaid expenses	Note 21	107 669	1 615 472
Interest receivable	Note 2.12	13 379 796	16 390 408
Capital assets	Notes 2.19,22	<u>66 887 366</u>	<u>66 887 366</u>
TOTAL ASSETS		<u>1 550 916 775</u>	<u>1 544 098 667</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Members' contributions received in advance	Note 24	33 779 353	35 168 620
Unliquidated obligations	Notes 2.21,25	475 232 433	350 548 082
Accounts payable and deferred income	Note 26	<u>37 544 103</u>	<u>38 571 859</u>
Total liabilities		<u>546 555 889</u>	<u>424 288 561</u>

Statement II (continued)

Fund Balances	Reference	2002	2001
Trust funds			
Technical cooperation and supply services funds	Statements I.2; I.3	50 267 108	53 650 211
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	Statement I.4	73 242 961	56 624 627
International Agency for Research on Cancer	Statement I.4	23 651 238	20 741 560
International Computing Centre	Statement I.4	(8 547 094)	3 672 706
Staff Health Insurance, Foundations and other trust funds	Statement I.4	249 944 144	230 381 941
The Global Fund to fight AIDS, Tuberculosis and Malaria	Statement I.4	18 316 682	
Special Account for Headquarters Extension and Repayment of the Swiss Loan	Statement I.4	1 006 711	
Interest accrued and unapportioned	Statement I	3 615 983	16 390 408
<i>Total trust funds</i>		<u>411 497 733</u>	<u>381 461 453</u>
Voluntary Fund for Health Promotion	Statement I	<u>357 390 963</u>	<u>443 766 060</u>
Regular Budget and Working Capital Fund			
Internal Borrowing - Advances secured against other WHO funds	Statement I	<u>(75 511 599)</u>	<u>(24 628 307)</u>
Other WHO funds			
Casual Income Account	Statement I.1	2 533 351	47 652 975
Miscellaneous Income Account	Statement I.1	11 519 498	
Holding Account	Statement I.1	22 413 763	13 395 523
Real Estate Fund	Statement I.1	1 867 460	557 442
RFTLE*, SAIDPP** and SARF***	Statement I.1	469 021	403 290
Revolving Sales Fund	Statement I.1	6 862 106	500 000
Special Account for Operation of Concessions at Headquarters	Statement I.1	4 058 516	3 830 903
Security Fund	Statement I.1	2 919 380	
Special Account for Servicing Costs	Statement I.1	140 673 617	140 796 882
Tax Equalization Fund	Statement I.1	5 931 030	6 607 610
Terminal Payments Account	Statement I.1	44 848 681	38 578 909
<i>Total other WHO funds</i>		<u>244 096 423</u>	<u>252 323 534</u>
Members' equity in capital assets	Statement I	<u>66 887 366</u>	<u>66 887 366</u>
<i>Total fund balances</i>		<u>1 004 360 886</u>	<u>1 119 810 106</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>1 550 916 775</u>	<u>1 544 098 667</u>

* RFTLE: *Revolving Fund for Teaching and Laboratory Equipment*** SAIDPP: *Special Account for Income Derived from Patent Policy**** SARF: *Special Account for the WHO Renewal Fund*

Statement III

Statement of Cash Flow
Unaudited Interim Financial Report for the year 2002

(expressed in US dollars)

	2002	2000-2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Total changes in fund balances (Statement I)	(120 344 268)	254 012 149
(Increase)/decrease in accounts receivable - sundry debtors	(30 830 034)	(8 163 741)
(Increase)/decrease in prepaid expenses	1 507 803	(1 299 874)
(Increase)/decrease in interest receivable	3 010 612	(4 896 374)
Increase/(decrease) in contributions received in advance	(1 389 267)	(6 943 283)
Increase/(decrease) in unliquidated obligations	124 684 351	93 748 492
Increase/(decrease) in accounts payable and deferred income	(1 027 756)	5 103 541
Less: Interest income included in fund balances	(51 940 504)	(130 285 955)
Savings on unliquidated obligations of prior years included in fund balances	(9 180 397)	(21 736 740)
Net eliminations of programme support costs (Statement I)	4 895 048	32 906 745
<i>Net cash from operating activities</i>	<u>(80 614 412)</u>	<u>212 444 960</u>
CASH FLOWS FROM INVESTING AND FINANCIAL ACTIVITIES		
(Increase)/decrease in deposits and securities	4 395 496	(284 800 365)
Plus: Interest income included in fund balances	51 940 504	130 285 955
<i>Net cash from investing and financial activities</i>	<u>56 336 000</u>	<u>(154 514 410)</u>
CASH FLOWS FROM OTHER SOURCES		
(Increase)/decrease in land and buildings		(2 099 842)
Savings on unliquidated obligations of prior years	9 180 397	21 736 740
<i>Net cash from other sources</i>	<u>9 180 397</u>	<u>19 636 898</u>
NET INCREASE/(DECREASE) IN CASH	<u>(15 098 015)</u>	<u>77 567 448</u>
CASH AS AT 1 JANUARY 2002 AND 2000	<u>130 180 971</u>	<u>52 613 523</u>
CASH AS AT 31 DECEMBER 2002 AND 2001	<u><u>115 082 956</u></u>	<u><u>130 180 971</u></u>

Statement IV

Statement of Appropriations for the Financial Period 2002-2003
Unaudited Interim Financial Report for the year 2002

(expressed in US dollars)

Appropriation section	Amounts approved by resolution WHA54.20	Transfers between sections made by the Director-General	Transfers between sections as % of approved appropriations	Effective appropriations	Expenditure a/	Balance available in 2003 b/
1. Communicable diseases	50 892 000	937 000	1.84	51 829 000	25 106 288	26 722 712
2. Noncommunicable diseases and mental health	40 170 000	1 439 000	3.58	41 609 000	20 241 856	21 367 144
3. Family and community health	33 372 000	1 233 000	3.69	34 605 000	19 790 296	14 814 704
4. Sustainable development and healthy environments	47 368 000	1 378 000	2.91	48 746 000	24 947 130	23 798 870
5. Health technology and pharmaceuticals	34 982 000	(129 000)	(0.37)	34 853 000	16 755 187	18 097 813
6. Evidence and information for policy	94 132 000	(112 000)	(0.12)	94 020 000	50 325 142	43 694 858
7. External relations and governing bodies	44 746 000	1 010 000	2.26	45 756 000	24 196 983	21 559 017
8. General management	139 459 000	7 192 000	5.16	146 651 000	80 307 378	66 343 622
9. Director-General, Regional Directors and independent functions	21 528 000	2 006 000	9.32	23 534 000	10 991 115	12 542 885
10. Country programmes	336 005 000	(14 954 000)	(4.45)	321 051 000	186 561 787	134 489 213
Sub total	842 654 000			842 654 000	459 223 162	383 430 838
11. From Miscellaneous Income:						
11.1 Exchange rate hedging	10 000 000			10 000 000	1 873 884	8 126 116
11.2 Real Estate Fund	3 000 000			3 000 000	3 000 000	
Sub total	13 000 000			13 000 000	4 873 884	8 126 116
EFFECTIVE WORKING BUDGET	855 654 000			855 654 000	464 097 046	391 556 954
12. Transfer to Tax Equalization Fund	80 000 000			80 000 000	80 000 000	
TOTAL	935 654 000			935 654 000	544 097 046	391 556 954

a/ Including transfers from the Regular Budget of \$ 2 081 668 to the Trust Fund for the Special Programme for Research and Training in Tropical Diseases, of \$ 250 000 to the Onchocerciasis Control Programme and of \$ 50 000 to the African Programme for Onchocerciasis Control.

b/ Balance available to meet the costs of new obligations to be incurred in 2003 which will be obligated as and when the actual contracts, travel authorizations and purchase or printing orders, etc., are issued.

Notes to the Accounts

1. Statement of Objectives

- 1.1 The objective of the World Health Organization contained in Article 1 of the Constitution is the "attainment by all peoples of the highest possible level of health".
- 1.2 In order to achieve this objective, the functions of the Organization have been established and are contained in Article 2 of the Constitution.
- 1.3 The General Programme of Work 2002-2005, approved by World Health Assembly Resolution WHA54.1 provides the policy framework for the Programme Budget 2002-2003.
- 1.4 The Fifty-fourth World Health Assembly (WHA54.20) appropriated an Effective Working Budget of \$ 855.7 million for the financial period 2002-2003.

2. Statement of Accounting Policies

2.1 General accounting policies

The accounting policies and financial reporting practices applied are based upon the WHO Financial Regulations and Financial Rules, 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 UNAS and drawn up in the formats stated therein.

2.2 Unit of account and general accounts presentation

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.

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

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.

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 exchange rates at the end of a financial period, the rates used as at 31 December are those in force on 1 January of the subsequent year. No substantial change occurred between the exchange rates in force at the end of the year/financial period and those in force at 1 January 2003.

2.4 Accounting for exchange differential

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 miscellaneous income.

2.5 Assessed contributions

Income from assessed contributions of Members and Associate Members for the effective working budget 2002-2003 is recorded on the basis of assessments to Member States and Associate Members approved by the World Health Assembly. 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 2002 against such income. The total amount of the provision corresponds to the total assessed contributions outstanding from Members as at 31 December 2002 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.

2.6 New and formerly inactive Members

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 miscellaneous income.

2.7 Tax equalization fund

In accordance with Health Assembly resolution WHA21.10 under which the Tax Equalization Fund was established, the assessed contributions of all Members are reduced by the income generated by the staff 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.

2.8 Voluntary contributions

Voluntary contributions for WHO programme activities are recorded on a cash basis, i.e., as received.

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.

2.9 Letters of credit

The funds available under these 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.

2.10 Other trust funds

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.

2.11 Revenue-producing activities

Income is recorded on a cash received basis.

2.12 Interest income

Interest earned 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 investments made for specific funds are credited directly to the funds concerned. Interest is adjusted by the exchange differential related to currency operations.

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

Unapportioned interest is taken up as a single receivable in the accounts and is reflected in a separate trust fund for unapportioned interest. In the 2000-2001 Financial Report, unapportioned interest was shown in Statement I.4 with Other Trust Funds and Associated Entities. In the current financial period, unapportioned interest is shown in Statement I, the Consolidated Statement of Income and Expenditure and Changes in Fund Balances - All Sources of Funds. The comparative figures for 2000-2001 in Statement I.4 have been amended accordingly.

2.13 Expenditure

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 some 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 Regulation IV of the Financial Regulations and Rule 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.

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

2.14 Savings on unliquidated obligations

Unliquidated obligations of prior financial periods are settled during the current financial period in accordance with Financial Regulation 4.5. Variances on settlement are debited/credited to the relevant fund.

2.15 Eliminations

Programme activities under the Regular Budget and those under extrabudgetary sources of financing comprise a single entity, 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 and other expenditures, 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.

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

Imprest account balances reflect disbursements recorded up to 30 November 2002. Disbursements, which have not been accounted for in the financial period, will be accounted for against the appropriate liquidation of the relevant obligations and bank balances in 2003.

2.17 Deposits and securities

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

2.18 Investments

In accordance with Financial Regulation 11.1, funds not required for immediate use may be invested. All investments are carried out within the framework of investment policies approved by the Director-General. These policies are regularly reviewed by the Advisory Investment Committee which includes outside investment specialists. Recommendations are made to the Director-General as and when the Committee consider it appropriate. The Investment Policy reflects the nature of the WHO funds, namely that funds are held for the short-term pending programme implementation as well as for the longer term to meet liabilities under the Staff Health Insurance fund and other long-term funds of the Organization. Investments are recorded at current market value and investment income is recorded on an accrual basis. Investment income, on pooled investments, is apportioned to the participating funds in accordance with the average balances on those funds. Investment income on specific investments is credited to the relevant fund.

2.19 Capital assets and Members' equity in capital assets

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

2.20 Non-expendable equipment

In accordance with established accounting policy, non-expendable equipment, including furniture, computers and other office equipment and motor vehicles, is charged to expenditure at cost.

2.21 Unliquidated obligations

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.

2.22 Working capital fund and internal borrowing

Pending the receipt of assessed contributions, implementation of the Regular Budget may be financed from the Working Capital Fund and thereafter by internal borrowing against available cash reserves of the Organization, excluding Trust Funds. Amounts borrowed are repaid from the collection of arrears of assessed contributions and are credited first against any internal borrowing outstanding and second against any borrowing outstanding from the Working Capital Fund.

2.23 Foreign exchange hedging

In accordance with Financial Regulation 4.4, foreign exchange hedging is undertaken to make it possible to maintain the level of the budget, irrespective of the effect of any fluctuation of currencies against the US dollar. The amounts available for hedging are approved by the World Health Assembly for the financial period to which the approval relates. The exact method of hedging is determined within the Investment Policy which specifies permitted hedging instruments, namely forward foreign exchange and option contracts. The exchange rate to be protected and market conditions are also taken into account. Costs of purchasing foreign currency options are expensed when purchased. Gains/losses on forward contracts are taken to income (expenditure) at maturity of the contracts and are allocated to the relevant fund.

3. Tax Equalization Fund

In 2002-2003, income credited to the Tax Equalization Fund is derived as follows:

	2000-2001 \$	2002-2003 \$
Staff Assessment (Statement IV, Appropriation Section 12)	80 000 000	80 000 000
Less: Credits to Members	<u>72 788 000</u>	<u>77 333 220</u>
Total	<u><u>7 212 000</u></u>	<u><u>2 666 780</u></u>

4. Contribution of Goods or Services in Kind

Total contribution of goods or services in kind in 2002 amounted to \$ 10 887 850 (\$ 214 981 139 in 2000-2001).

5. Revenue-producing Activities

Revenues comprise staff accommodation 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; and income from rights and royalties.

6. Income from Services Rendered

This comprises income from programme support costs levied against programme expenditure under extrabudgetary financed activities. Income earned during the financial period is retained in the Special Account for Servicing Costs for use in the succeeding financial period. The transfers into the Terminal Payments Account are also shown under this heading.

7. Foreign Exchange Hedging Transactions Arising in 2002

Exchange gains arising on foreign currency hedging contracts maturing in 2002 amounted to \$16 009 377, of which \$12 985 713 has been recorded in the Regular Budget and \$3 023 664 in the Special Account for Servicing Costs. \$1 799 885 attributable to the Regular Budget is being held pending allocation in 2003.

Forward contracts and options to purchase a total amount of CHF 155 675 000 were outstanding at 31 December 2002. Unrealized gains based on the market value of these contracts at 31 December 2002, were CHF 30 772 293.

Realized gains or losses on all these contracts will be recorded on maturity of the contracts and applied during 2003.

8. Other Income - Other WHO Funds

This income includes:

	2000-2001	2002
	\$	\$
Refunds and rebates	870 136	559 346
Exchange differential	(2 030 381)	(1 971 207)
Sale of equipment and material	268 077	97 547
Revenue from the Swiss Postal authorities	3 913	23
Underground parking operations	<u>474 626</u>	<u>362 696</u>
Total	<u>(413 629)</u>	<u>(951 595)</u>

9. Expenditure

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".

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)
- The Global Fund to fight AIDS, Tuberculosis and Malaria
- Special Fund for Compensation
- Due to Estates of Deceased Staff Members
- Other Funds
- Foundations

10. Payment of Assessed Contributions of Prior Years

Arrears of assessed contributions collected in 2002 in respect of the prior financial periods and their disposition are detailed as follows:

		\$
Repayments of Internal Borrowing	(Schedule 4)	24 628 307
Repayments of Working Capital Fund	(Schedule 4)	<u>23 573 108</u>
Total		<u><u>48 201 415</u></u>

11. Revolving Sales Fund

In accordance with Health Assembly Resolution WHA55.9, this account is credited with the proceeds from sale of publications, international certificates of vaccination, films, videos and other information material. The relevant costs of production and printing are charged to the fund.

12. Special Account for Operation of Concessions at Headquarters

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

13. Funds under Inter-organization Arrangements

These represent cash drawings from the United Nations Development Programme, the United Nations Population Fund, the UN Iraq Programme under Security Council Resolution 986, 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.

14. Trust Funds not part of WHO's Programme Activities

In accordance with the Financial Regulations the Director-General has established trust funds to record the financial operations of various programmes and entities which are not considered part of WHO's International Health Programme. These include the trust fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), the International Agency for Research on Cancer (IARC), the International Computing Centre (ICC), and The Global Fund to Fight AIDS, Tuberculosis and Malaria for each of which detailed financial reports are issued and audit certification is made to the governing body concerned as required. The trust funds for the WHO Staff Health Insurance (SHI), Special Account for Headquarters Extension and Repayment of Swiss Loan, foundations and associated accounts under administration by the Organization are also included under this classification.

15. Staff Health Insurance

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. 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 are required to meet the current claims of active staff. The balance of the fund at 31 December 2002, \$ 242 881 104 is held to meet statutory reserves as follows:

	31 December 2001 \$	31 December 2002 \$
Settlement of outstanding claims (SHI rule 470.1)	9 070 287	9 612 195
Future costs of retired staff (SHI rule 470.2)*	195 995 000	207 705 000
Reserve for major claims and cost of reinsurance (SHI rule 470.3)	<u>18 434 831</u>	<u>25 563 909</u>
Total	<u>223 500 118</u>	<u>242 881 104</u>

* The last actuarial valuation, dated June 2000, estimates an Accumulated Post-retirement Benefit Obligation (APBO) for retirees of \$ 224.5 million.

16. Other Funds

Special Fund for Compensation

This fund was set up by the Director-General under the Financial Regulations for the payment of periodic benefits awarded 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

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

Other Trust Funds held by WHO

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

17. Foundations

These comprise foundations for which WHO holds funds in trust and is responsible for financial and administrative management. At 31 December 2002, they were:

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

18. Cash at Banks, in Transit and on Hand at Headquarters and in the Regions

The aggregation of all the Organization's cash and other liquid resources, including cash, imprest and bank accounts, and funds in transit, is \$ 115 082 956. This amount includes imprest account disbursements, which amount to \$ 29.6 million, which have not been accounted for in the financial period. These disbursements will be accounted for against the liquidation of the appropriate unliquidated obligations and bank balances in 2003.

19. Letters of Credit

In addition to actual cash resources in hand, undrawn balances as at 31 December 2002 amounted to \$ 85 268 414 (\$ 68 815 457 at 31 December 2001) under letters of credit received from the United States of America. These relate to the following activities:

The US Agency for International Development

- Voluntary Fund for Health Promotion, \$ 71 796 379.
- Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), \$ 9 000 000.
- Trust Fund for the Special Programme for Research and Training in Tropical Diseases, \$ 2 100 000.

The US Environmental Protection Agency

- Voluntary Fund for Health Promotion, \$ 2 372 035.

20. Sundry Debtors

Sundry debtors - \$ 76 390 447, 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, guarantee 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 2003.

	31 December 2001 \$	31 December 2002 \$
Personal accounts of WHO staff - advances	16 990 769	17 670 462
Due from other United Nations organizations and agencies, institutions, governments and ministries, firms, corporations and other entities, for goods and services provided	12 382 728	23 353 634
Clearance accounts	6 344 837	22 467 254
UNAIDS/UNDP Operating Fund	5 295 075	8 926 708
Other debtors	4 432 123	3 840 686
Guarantee deposits	114 881	131 703
Total	<u>45 560 413</u>	<u>76 390 447</u>

21. Prepaid Expenses

The amount of \$ 107 669 represents disbursements made in respect of obligations against the next financial period and will be charged as expenditure in that period.

22. Capital Assets and Members' Equity in Capital Assets

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. No additions or disposals occurred during 2002.

At 31 December 2002, the cost of land and buildings at each location comprises the following:

Location	31 December 2001 \$	31 December 2002 \$
Headquarters	41 597 370	41 597 370
Regional Office for Africa		
<i>Regional Office</i>	7 012 106	7 012 106
<i>Africa Region - other</i>	<u>1 249 634</u>	<u>1 249 634</u>
Total: Regional Office for Africa	8 261 740	8 261 740
Regional Office for South-East Asia	1 483 295	1 483 295
Regional Office for the Eastern Mediterranean		
<i>Regional Office</i>	12 019 834	12 019 834
<i>Eastern Mediterranean Region - other</i>	<u>68 369</u>	<u>68 369</u>
Total: Regional Office for the Eastern Mediterranean	12 088 203	12 088 203
Regional Office for the Western Pacific	<u>3 456 758</u>	<u>3 456 758</u>
Total	<u><u>66 887 366</u></u>	<u><u>66 887 366</u></u>

23. Non-expendable Equipment

The total value at cost at the end of the last financial period, at 31 December 2001, was \$ 98 348 194.

24. Members' Contributions Received in Advance

At 31 December 2002 some members had paid in advance, in full or in part, their contributions for the effective working budget for 2003 and future years. In addition, some members have received credits against assessed contributions for the current biennium which will be offset against future assessments. In total, contributions paid in advance at 31 December 2002 amounted to \$ 33 779 353.

25. Unliquidated Obligations

	31 December 2001 \$	31 December 2002 \$
<i>WHO Programme Activities</i>		
Regular Budget	82 011 578	109 017 494
Other WHO funds	11 615 284	16 482 872
Voluntary Fund for Health Promotion	109 060 477	191 954 801
Inter-organization arrangements	2 171 416	48 254 020
Trust funds	77 379 704	38 595 557
Total Unliquidated obligations - WHO programme activities	<u>282 238 459</u>	<u>404 304 744</u>
<i>Non-WHO Programme Activities</i>		
Trust Fund for the Joint United Nations Programme on HIV/AIDS	66 689 082	54 781 531
International Computing Centre	1 620 541	11 310 796
The Global Fund to fight AIDS, Tuberculosis and Malaria		4 835 362
Total	<u>350 548 082</u>	<u>475 232 433</u>

26. Accounts Payable and Deferred Income

Accounts payable, \$ 37 544 103, 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 2002. These comprise the following:

	31 December 2001 \$	31 December 2002 \$
<i>Accounts payable</i>		
Personal accounts of WHO staff – proceeds of claims and other amounts due	3 951 152	4 891 956
Due to other United Nations organizations and agencies, institutions, government ministries, firms, corporations and other entities, for goods and services received	12 257 332	6 795 230
Due to United Nations Joint Staff Pension Fund for contributions and other payments outstanding	9 109 543	12 016 198
UNAIDS/UNDP Operating Fund	5 014 259	7 101 398
Clearance accounts – for processing in 2003	<u>5 803 250</u>	<u>6 739 321</u>
Total accounts payable	<u>36 135 536</u>	<u>37 544 103</u>
<i>Deferred income</i>		
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	<u>2 436 323</u>	<u>-</u>
Total accounts payable and deferred income	<u><u>38 571 859</u></u>	<u><u>37 544 103</u></u>

27. Special Account for Headquarters Extension and Repayment of the Swiss Loan

The fifty-fifth World Health Assembly, in Resolution WHA 55.8, authorized the Director-General to proceed with the construction of a new building at headquarters at a cost estimated at CHF 55 000 000, of which WHO's share is estimated at CHF 27 500 000, and approved the use of the Real Estate Fund for the repayment over a 50-year period of WHO's share of interest-free loan to be provided by the Swiss authorities with effect from the first year of the completion of the building. At 31 December 2002, \$ 1 006 711 had been received from the Swiss authorities of which WHO's share is \$ 503 355. No expenditure had been incurred against these funds as at 31 December 2002.

28. Holding Account

This account holds funds appropriated by the Health Assembly. By resolution WHA54.20 the Health Assembly appropriated \$ 437 430 of Miscellaneous Income and by resolution WHA 55.7 the Health Assembly appropriated \$ 21 976 333 of Miscellaneous Income. The total of these funds, \$ 22 413 763 will be used to meet payments under the financial incentive scheme in accordance with Financial Resolution 6.5 and Health Assembly Resolution WHA41.12.

29. United Nations Joint Staff Pension Fund

WHO is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF) which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. 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 end of the last financial period, 31 December 2001, the United Nations General Assembly had not invoked this provision.

30. Administrative Waivers, Amounts Written-off, Cases of Fraud, Ex-gratia Payments

During 2002 there was one administrative waiver for \$ 700, three cases of amounts written-off totalling \$ 898, one case of fraud for \$ 64 706 and one ex-gratia payment for \$ 12 000.

31. Contingent Liabilities

At 31 December 2002, there were pending legal proceedings against the Organization of an immaterial nature on matters relating to two accidents involving WHO vehicles. In addition, claims are being processed relating to rental at one field office, to an alleged contractual obligation, and to alleged obligations by two former staff members. These claims are not material. 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.

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Schedule 1

**Cash, Deposits and Securities
as at 31 December 2002**

(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

Headquarters	65 807 034	
Regional Offices	<u>49 275 922</u>	115 082 956

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	747 686 983	
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Securities

Short-term fixed income portfolios in US dollars ^{a/}	359 140 726	
Long-term fixed income portfolios in US dollars ^{b/}	164 351 103	
Equity portfolio in US dollars ^{c/}	<u>7 889 729</u>	<u>531 381 558</u>
		<u>1 279 068 541</u>

Total cash, deposits and securities as at 31 December 2002

1 394 151 497^{d/}

^{a/} Invested in cash and high quality short dated, government, agency, and corporate bonds.

^{b/} Invested in high quality, medium and long dated, government, agency, and corporate bonds. These portfolios represent funds managed for the Staff Health Insurance fund and the Terminal Payments account.

^{c/} This portfolio represents funds managed for the Staff Health Insurance fund.

^{d/} Includes \$418 million held by WHO on behalf of UNAIDS, International Agency for Research on Cancer, International Computing Centre, Staff Health Insurance, The Global Fund to fight AIDS, Tuberculosis and Malaria, and Foundations.

Schedule 2

Voluntary Fund for Health Promotion (VFHP)
Summary of 2002 Income and Expenditure by Headquarters' Clusters,
WHO Regional Offices and Onchocerciasis Control Programme
as at 31 December 2002

(expressed in US dollars)

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

CLUSTER/OFFICE	Balance 1 January 2002	Contributions 2002	Interest, adjustments and refunds 2002	Expenditure 2002	Balance 31 December 2002
Special Account for Miscellaneous Designated Contributions (Other)					
Communicable Diseases	75 965 959	83 439 437	3 744 838	96 341 287	66 808 947
Family and Community Health	34 336 295	31 239 490	1 550 404	35 822 729	31 303 460
Sustainable Development and Healthy Environments	41 615 446	47 834 373	1 118 790	47 763 761	42 804 848
Health Technology and Pharmaceuticals	136 837 299	96 632 946	3 928 957	167 670 643	69 728 559
Evidence and Information for Policy	23 474 868	11 346 019	1 569 359	16 465 084	19 925 162
External Relations and Governing Bodies	5 585 238	11 302 285	15 731	3 026 879	13 876 375
General Management	802 333	847 843	45 590	900 630	795 136
Director-General's Office	2 027 158	1 224 513	460 721	772 923	2 939 469
Noncommunicable Diseases and Mental Health ^{ai}	53 291 155	24 169 689	2 521 250	35 913 041	44 069 053
Onchocerciasis Control Programme		1 129			1 129
Regional Office for Africa	16 072 528	60 440 734	1 923 499	58 694 112	19 742 649
Regional Office for the Americas	89 705	432 500	53 599	356 364	219 440
Regional Office for South East Asia	19 229 031	25 761 419	1 726 463	27 025 439	19 691 474
Regional Office for Europe	13 576 018	13 169 530	848 360	17 255 280	10 338 628
Regional Office for the Eastern Mediterranean	7 626 567	5 468 695	250 328	8 931 024	4 414 566
Regional Office for the Western Pacific	13 236 460	12 516 302	875 530	15 896 224	10 732 068
Total - Voluntary Fund for Health Promotion	443 766 060	425 826 904	20 633 419	532 835 420	357 390 963

^{ai} In accordance with the Director-General's decision of August 2001 to merge the Noncommunicable Diseases cluster and the Social Change and Mental Health cluster, resulting in the formation of the Noncommunicable Diseases and Mental Health cluster, the balances as at 31 December 2001 from the Noncommunicable Diseases cluster of \$ 7 617 394 and the Social Change and Mental Health cluster of \$ 45 673 761 have been transferred to the Noncommunicable Diseases and Mental Health cluster on 1 January 2002.

Schedule 3

**Assessed Contributions – 2002
and Prior Financial Periods**
(expressed in US dollars)

Members , including Associate Members	2002 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2002	Balance outstanding 31 December 2002	Balance outstanding 1 January 2002	Collected or adjusted during 2002	Balance outstanding 31 December 2002	
Assessed Members							
Afghanistan	12 632		12 632	243 030		243 030	255 662
Albania	12 272	12 272					
Algeria	289 111	289 111					
Andorra	16 328	16 328					
Angola	7 102		7 102	40 735		40 735	47 837
Antigua and Barbuda	8 422		8 422	199 254		199 254	207 676
Argentina	4 597 512		4 597 512	13 337 490		13 337 490	17 935 002
Armenia	8 422		8 422	2 496 150	8 422	2 487 728	2 496 150
Australia	6 032 207	6 032 207					
Austria	3 904 461	1 213 935	2 690 526	2 667 235	2 667 235		2 690 526
Azerbaijan	16 843		16 843	4 277 430	150 000	4 127 430	4 144 273
Bahamas	48 478	48 478					
Bahrain	69 833	69 833					
Bangladesh	40 912	40 912					
Barbados	34 057	34 057					
Belarus	80 003		80 003	872 515	401 628	470 887	550 890
Belgium	4 524 320	4 265 677	258 643	833 120	833 120		258 643
Belize	4 106	4 106					
Benin	8 187		8 187	76		76	8 263
Bhutan	4 131	4 131					
Bolivia	29 986	1 388	28 598	28 105	28 105		28 598
Bosnia and Herzegovina	16 618		16 618	235 095		235 095	251 713
Botswana	41 447	41 447					
Brazil	6 414 933		6 414 933	5 976 359	3 985 733	1 990 626	8 405 559
Brunei Darussalam	88 284	84 245	4 039				4 039
Bulgaria	45 640	45 640					
Burkina Faso	8 202	8 202					
Burundi	4 211		4 211	4 235		4 235	8 446
Cambodia	4 191	4 191					
Cameroon	36 956	36 956					
Canada	10 274 974	10 274 974					
Cape Verde	4 051	4 051		8 256	8 256		
Central African Republic	4 211		4 211	147 840		147 840	152 051
Chad	4 211		4 211	243 586		243 586	247 797
Chile	588 720	422 973	165 747	109 068	109 068		165 747
China	4 293 410	4 293 410					
Colombia	476 347	112 810	363 537	437 190	437 190		363 537
Comoros	4 211		4 211	449 467	12 426	437 041	441 252
Congo (a)	(190 815)	(190 815)					
Cook Islands	4 181	4 181					
Costa Rica	67 676		67 676	54 630	38 997	15 633	83 309
Côte d'Ivoire	37 286	37 286					

Schedule 3 (continued)

Members , including Associate Members	2002 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2002	Balance outstanding 31 December 2002	Balance outstanding 1 January 2002	Collected or adjusted during 2002	Balance outstanding 31 December 2002	
Croatia	123 687	123 687					
Cuba	100 267	100 267		227 892	227 892		
Cyprus	137 097	137 097					
Czech Republic	460 820	460 820					
Democratic People's Republic of Korea	35 526	35 526					
Democratic Republic of the Congo	16 843		16 843	108 882	108 872	10	16 853
Denmark	2 802 976	2 802 976					
Djibouti	4 211		4 211	37 600	8 411	29 189	33 400
Dominica	4 061	4 061					
Dominican Republic	67 371		67 371	957 988		957 988	1 025 359
Ecuador	86 845	40 318	46 527				46 527
Egypt	268 933	268 933					
El Salvador	52 816	52 816					
Equatorial Guinea	4 211	3 635	576				576
Eritrea	4 091	4 091					
Estonia	40 232	40 232					
Ethiopia	16 058	16 058					
Fiji	16 313	16 313					
Finland	2 101 636	2 101 636					
France	26 804 338	26 804 338					
Gabon	58 905	58 905		149 985	149 985		
Gambia	4 211	4 211					
Georgia	21 053		21 053	4 386 580		4 386 580	4 407 633
Germany	40 310 803	40 310 803					
Ghana	20 963		20 963	28 885		28 885	49 848
Greece	1 508 489	1 453 578	54 911				54 911
Grenada	4 211	4 211		2 413	2 413		
Guatemala	78 003	78 003					
Guinea	12 632		12 632	56 246	56 246		12 632
Guinea-Bissau	4 211		4 211	205 589		205 589	209 800
Guyana	4 186	4 186		201	201		
Haiti	8 212	8 212					
Honduras	13 084	12 590	494				494
Hungary	480 724	480 724					
Iceland	126 747	126 747					
India	1 235 797	1 235 797					
Indonesia	780 064		780 064	1 196 780	477 435	719 345	1 499 409
Iran (Islamic Republic of)	704 233		704 233	829 720	719 720	110 000	814 233
Iraq	166 847		166 847	5 422 107		5 422 107	5 588 954
Ireland	934 021	934 021					
Israel	1 443 916	1 041 140	402 776	108 860	108 860		402 776
Italy	20 801 239	18 478 811	2 322 428				2 322 428

Schedule 3 (continued)

Members , including Associate Members	2002 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2002	Balance outstanding 31 December 2002	Balance outstanding 1 January 2002	Collected or adjusted during 2002	Balance outstanding 31 December 2002	
Jamaica	16 123	16 123					
Japan	79 967 529	73 900 425	6 067 104				6 067 104
Jordan	25 922	25 922					
Kazakhstan	117 899		117 899	5 160 159	150 000	5 010 159	5 128 058
Kenya	29 966	29 966					
Kiribati	4 141		4 141				4 141
Kuwait	522 885	522 885					
Kyrgyzstan	4 211		4 211	1 220 637		1 220 637	1 224 848
Lao People's Democratic Republic	5 521	5 521					
Latvia	40 972	40 972		593 895	247 295	346 600	346 600
Lebanon	50 203	50 203					
Lesotho	3 971	3 971					
Liberia	4 211		4 211	331 682		331 682	335 893
Libyan Arab Jamahiriya	277 904		277 904	865 410	571 385	294 025	571 929
Lithuania	64 153	64 153					
Luxembourg	279 555	279 555					
Madagascar	12 427	12 427					
Malawi	8 177	8 177					
Malaysia	763 589	763 589					
Maldives	4 106	4 106					
Mali	8 347	7 670	677	912	912		677
Malta	57 466	57 466					
Marshall Islands	4 186		4 186				4 186
Mauritania	4 211	4 211					
Mauritius	37 659	37 659					
Mexico	4 145 700	4 124 791	20 909				20 909
Micronesia (Federated States of)	4 101	4 101					
Monaco	16 303	16 303					
Mongolia	3 976	3 976					
Morocco	165 122	117 971	47 151				47 151
Mozambique	4 101	4 101					
Myanmar	32 600	32 600					
Namibia	28 695	28 695					
Nauru	4 211		4 211	86 820		86 820	91 031
Nepal	16 603	16 603					
Netherlands	6 599 433	6 599 433					
New Zealand	894 938	894 938					
Nicaragua	4 211	4 211					
Niger	4 211		4 211	226 253	10 644	215 609	219 820
Nigeria	143 162		143 162	1 129 995		1 129 995	1 273 157
Niue	4 171		4 171				4 171
Norway	2 464 745	2 464 745					
Oman	209 438	209 438					
Pakistan	244 021	244 021		246 442	246 442		

Schedule 3 (continued)

Members , including Associate Members	2002 assessments			Assessments of prior financial periods			Total outstanding
	Net Assessments	Collected during 2002	Balance outstanding 31 December 2002	Balance outstanding 1 January 2002	Collected or adjusted during 2002	Balance outstanding 31 December 2002	
Palau	4 146	60	4 086				4 086
Panama	57 271	27 370	29 901	8 200	8 200		29 901
Papua New Guinea	25 025	25 025					
Paraguay	59 892		59 892	136 309		136 309	196 201
Peru	418 961		418 961	1 053 084	400 000	653 084	1 072 045
Philippines	346 609	311 739	34 870	85 810	85 810		34 870
Poland	863 344	845 640	17 704				17 704
Portugal	1 773 824	1 773 824		1 740 100	1 740 100		
Puerto Rico	4 211		4 211		(87 275)	87 275	91 486
Qatar	132 303	132 303					
Republic of Korea	4 486 784	4 486 784					
Republic of Moldova	8 422		8 422	2 924 589		2 924 589	2 933 011
Romania	225 831	225 831					
Russian Federation	4 526 179	4 526 179					
Rwanda	4 136	4 136					
Saint Kitts and Nevis	4 136	4 136					
Saint Lucia	4 682		4 682	7 480		7 480	12 162
Saint Vincent and the Grenadines	4 206	4 206					
Samoa	4 091	4 091					
San Marino	8 202	8 202					
Sao Tome and Principe	4 131	4 131					
Saudi Arabia	2 270 123	2 270 123					
Senegal	21 053	21 053		7 095	7 095		
Seychelles	8 402		8 402				8 402
Sierra Leone	4 211	4 211					
Singapore	828 616	828 616					
Slovakia	142 318	142 318					
Slovenia	262 471	262 471					
Solomon Islands	4 211		4 211	12 500	9 350	3 150	7 361
Somalia	4 211		4 211	383 223		383 223	387 434
South Africa	1 499 591	1 499 591					
Spain	10 190 133	10 190 133					
Sri Lanka	51 124	51 124					
Sudan	24 895		24 895	925		925	25 820
Suriname	8 422		8 422	90 990		90 990	99 412
Swaziland	8 287	8 287					
Sweden	4 133 395	4 133 395					
Switzerland	4 902 388	4 902 388					
Syrian Arab Republic	272 599	17 710	254 889	258 890	258 890		254 889
Tajikistan	4 211		4 211	738 543	53 940	684 603	688 814
Thailand	723 465	723 465		654	654		
The Former Yugoslav Republic of Macedonia	17 886		17 886	16 250	16 250		17 886
Togo	4 211		4 211	15 078		15 078	19 289

Schedule 3 (continued)

Members, including Associate Members	2002 assessments			Assessments of prior financial periods			Total outstanding
	Net	Collected	Balance	Balance	Collected or	Balance	
	Assessments	during 2002	outstanding 31 December 2002	outstanding 1 January 2002	adjusted during 2002	outstanding 31 December 2002	
Tokelau	4 211		4 211	39 700	39 700		4 211
Tonga	4 106	4 106					
Trinidad and Tobago	66 635	66 635					
Tunisia	111 957	111 957					
Turkey	1 796 490	1 796 490					
Turkmenistan	12 632		12 632	1 199 410		1 199 410	1 212 042
Tuvalu	4 146	4 146		700	700		
Uganda	15 413	15 413					
Ukraine	218 954		218 954	35 771 530		35 771 530	35 990 484
United Arab Emirates	735 480	735 480					
United Kingdom of Great Britain and Northern Ireland	20 669 009	20 669 009					
United Republic of Tanzania	11 162	11 162					
United States of America	93 614 696	50 838 561	42 776 135	33 415 839	33 415 839		42 776 135
Uruguay	214 960		214 960	412 580	197 610	214 970	429 930
Uzbekistan	46 148		46 148	41 605		41 605	87 753
Vanuatu	4 191		4 191				4 191
Venezuela	679 640		679 640	718 608		718 608	1 398 248
Viet Nam	31 783	31 783					
Yemen	13 125	13 125		3 677	3 677		
Yugoslavia, Federal Republic of	84 213	84 213		102 310	102 310		
Zambia	8 177	8 177					
Zimbabwe	32 205	32 205					
Total - Assessed Members	397 886 171	326 918 661	70 967 510	135 428 478	48 019 743	87 408 735	158 376 245
New and formerly inactive Members							
Belarus (a)				817 524	181 672	635 852	635 852
Ukraine (a)				4 882 650		4 882 650	4 882 650
Total - new and formerly inactive Members				5 700 174	181 672	5 518 502	5 518 502
Former Members							
Yugoslavia (up to 2001)				5 532 592		5 532 592	5 532 592
Total - former Members	-	-	-	5 532 592	-	5 532 592	5 532 592
Total - all Members	397 886 171	326 918 661	70 967 510	146 661 244	48 201 415	98 459 829	169 427 339

(a) In addition to the unbudgeted amounts due from Belarus and Ukraine shown under the heading "New and formerly inactive Members", these members also owe budgeted contributions, as indicated in this schedule under "Assessed Members".

Schedule 4

**Working Capital Fund and Internal Borrowing
as at 31 December 2002**

(expressed in US dollars)

In accordance with Financial Regulation VII, pending the receipt of assessed contributions, implementation of the Regular Budget may be financed from the Working Capital Fund and thereafter by internal borrowing against available cash reserves of the Organization, excluding Trust Funds.

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

	2000-2001		2002	
	Working Capital Fund	Internal Borrowing	Working Capital Fund	Internal Borrowing
Working Capital Fund established level (WHA48.21)	<u>31 000 000</u>	<u></u>	<u>31 000 000</u>	<u></u>
Balance as at 1 January 2000 and 1 January 2002	<u>0</u>	<u>(63 110 688)</u>	<u>0</u>	<u>(24 628 307)</u>
Repayments				
Transfer from casual income: (resolutions WHA53.5 and WHA54.8)	17 901 551			
Collection of arrears of assessed contributions	11 657 135	63 110 688	23 573 108	24 628 307
Total - Repayments	<u>29 558 686</u>	<u>63 110 688</u>	<u>23 573 108</u>	<u>24 628 307</u>
Balance	29 558 686	0	23 573 108	0
Withdrawals				
Financing of Regular Budget pending receipt of assessed contributions	29 558 686	24 628 307	23 573 108	75 511 599
Balance as at 31 December 2001 and 31 December 2002 (Statement I)	<u>0</u>	<u>(24 628 307)</u>	<u>0</u>	<u>(75 511 599)</u>
Total Outstanding as at 31 December 2001 and 31 December 2002				
Working Capital Fund	31 000 000		31 000 000	
Internal Borrowing	<u>24 628 307</u>		<u>75 511 599</u>	
Total	<u>55 628 307</u>		<u>106 511 599</u>	

Schedule 5

**Miscellaneous Income Account
as at 31 December 2002**

(expressed in US dollars)

1. The Miscellaneous income account is credited with income arising from a number of sources in accordance with Financial Regulation VIII.
2. On 1 January 2002, the Miscellaneous income account replaced the Casual income account and the balance of the Casual income account was carried forward to the Miscellaneous income account on that date.

**Balance of Casual income account at 31 December 2001 carried forward to
Miscellaneous income account on 1 January 2002**

44 014 601

*Appropriation of miscellaneous income to finance the regular budget under
Health Assembly resolutions passed in May 2001:*

Resolution WHA54.17 - Assessment relief 2002	20 653 450	
Resolution WHA54.20 - financing the programme budget for the period 2002-2003		
- Exchange rate hedging	1 911 600	
- Real Estate Fund	3 000 000	
- Financial incentive scheme	<u>437 430</u>	<u>26 002 480</u>

Balance 18 012 121

Income 2002 (see next page) 15 483 710

Sub total 33 495 831

Of which appropriated under Health Assembly resolutions passed in May 2002:

Resolution WHA55.7 - financial incentive scheme 21 976 333

Balance as at 31 December 2002 (Statement I.1) 11 519 498

Schedule 5 (continued)

Statement of Miscellaneous Income Received in 2002

(expressed in US dollars)

	CASUAL INCOME		MISCELLANEOUS
	2000	2001	INCOME 2002
Income received			
Exchange rate facility:			
2000-2001 Regular Budget (resolution WHA52.20)	5 484 454	6 617 246	
Assessment relief forgone by Member States			4 633 116 ^{a/}
Collection of arrears of contributions	7 602 828		
Assessments on formerly inactive Members	107 927		
Interest earned	6 883 150	21 976 333	9 139 930
Refunds and rebates	456 033	414 103	559 346
Exchange differential	(2 264 262)	233 881	(1 971 207)
Sale of equipment and material	80 787	187 290	97 547
Savings on unliquidated obligations	4 695 805	8 115 816	2 662 259
Revenue from Swiss postal authorities and sundry		3 913	23
Revolving Sales Fund - Income from sale of WHO publications (net after deduction of costs of production, sales promotion and distribution)	58 657	61 704	
Underground parking operations:			
Rentals collected	269 575	293 155	362 696
Garage security costs	(88 104)		
Total - Income received	23 286 850	37 903 441	15 483 710

a/ Ireland	259 747
Luxembourg	53 293
Netherlands	404 158
Norway	139 775
Romania	5 899
Switzerland	422 380
United Kingdom of Great Britain and Northern Ireland	3 347 864
Total	4 633 116

Schedule 6

**Special Account for Servicing Costs
as at 31 December 2002**

(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;
- (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) Interest earnings on the balances of funds in the Special Account for Servicing Costs;
- (v) Foreign exchange gains/losses arising in respect of hedging operations on this account.

Schedule 6 (continued)

	<u>2000-2001</u>		<u>2002</u>
Balance as at 1 January 2000 and 1 January 2002 - allocated for expenditure in 2000-2001 and in 2002-2003 respectively	104 757 266		140 796 882
Expenditure			
Africa	11 516 916		11 525 625
The Americas	1 252 924		1 013 337
South-East Asia	3 618 638		2 629 514
Europe	2 832 031		3 922 883
Eastern Mediterranean	2 626 858		1 770 473
Western Pacific	1 373 272		1 167 232
Global and interregional activities	39 982 096		38 515 180
Cost and promotion of sales of WHO publications	4 583 004	67 785 739	b/ 60 544 244
Balance of allocation	<u>36 971 527</u>		<u>80 252 638</u>
Transfers			
To Regular Budget income in accordance with resolution WHA54.20	(500 000)	a/	
To Revolving Sales Fund in accordance with resolution WHA55.9			(7 926 996)
Income			
Received from United Nations Development Programme	257 678		20 416
Received from United Nations Population Fund	311 498		215 109
Support costs of subcontracting agencies	45 792		144 549
Support costs of trust and voluntary funds	(47 728)		
Received for programme support costs from:			
Trust funds and other arrangements	12 784 671		8 718 522
Voluntary Fund for Health Promotion	72 792 694		49 215 112
Received for rental of office accommodation at headquarters from:			
Trust funds and other arrangements	2 683 920		241 703
Transfer from Revolving Sales Fund	4 100 000		b/
Interest	11 396 830		6 768 900
Gains (losses) on hedging operations	<u>104 325 355</u>		<u>3 023 664</u>
Balance as at 31 December 2001 and 31 December 2002	<u>140 796 882</u>		<u>140 673 617</u>
of which:			
Allocated for support activities in 2002-2003 and in 2004-2005	<u>140 796 882</u>		<u>140 673 617</u>

a/ Transfer of \$ 500 000 for the 2002-2003 regular budget through the Holding Account.

b/ As from biennium 2002-2003, financing of costs of printing and re-printing WHO publications and other promotional items is recorded in the Revolving Sales Fund, resolution WHA55.9 refers.

Schedule 7

**Real Estate Fund
as at 31 December 2002**

(expressed in US dollars)

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

As from present biennium 2002-2003, the Real Estate activities are, under the new Financial Regulations and Financial Rules, funded by appropriation from the Regular Budget. The Real Estate Fund is also credited with receipts of rentals relating to real estate operations (other than rental for office accommodation, garage rentals and income from the operation of concessions at headquarters), and interest earned on balances in the Fund.

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

Balance as at 1 January 2002		557 442
Income		
Transfer from miscellaneous income - resolution WHA54.20	3 000 000	
Rents collected	184 493	
Interest	58 180	3 242 673
		<u>3 800 115</u>
Expenditure		
<i>Regional Office for Africa:</i>		
Replacement of the telephone exchange - resolution WHA53.4	104 439	
Maintenance, repairs of and alterations to houses for staff	326 835	
Water supply at premises	459 439	
Renovation and improvement of electric installations	349 305	
Installation of security lights	107 371	
Replacement of two lifts	4 409	
<i>Regional Office for the Americas:</i>		
Renovation of the WHO/PAHO building - resolution WHA54.7	180 000	
<i>Regional Office for South-East Asia:</i>		
Replacement of the telephone exchange - resolution WHA53.4	3 575	
Renovation, maintenance and repairs to premises	3 893	
<i>Regional Office for Europe:</i>		
Renovation, maintenance and repairs to premises	290 113	
<i>Regional Office for the Eastern Mediterranean:</i>		
Control and security management system	90 061	
<i>Regional Office for the Western Pacific:</i>		
Replacement of the telephone exchange - resolution WHA53.4	13 215	1 932 655
		<u>1 867 460</u>
Balance as at 31 December 2002		<u>1 867 460</u>

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Interim Financial Implementation of WHO's Programme Budget 2002-2003 for the year 2002

This part of the Unaudited Interim Financial Report shows the financial implementation of the International Health Programme as at 31 December 2002 compared with the approved Programme Budget for 2002-2003. Information is provided for the Regular Budget and for Other Sources by Area of Work.

Table 1

Budget and Expenditure Summary
Regular Budget by Organizational Level and Total Other Sources
as at 31 December 2002

(expressed in thousands of US dollars)

	Programme Budget 2002-2003	Transfers effected and unallocated balance	Operational Budget as at 31 December 2002	Expenditure for 2002	Implementation Rate as % of Operational Budget
Regular Budget					
Headquarters	279 055	(7 571)	271 484	141 925	52.3
Regional offices	227 594	9 335	236 929	130 736	55.2
Countries	336 005	(21 850)	314 155	186 562	59.4
Sub total	842 654	(20 086)	822 568	459 223	55.8
From Miscellaneous Income (a)	13 000		13 000	4 874	37.5
Total	855 654 (b)	(20 086)	835 568 (b)	464 097 (b)	55.5
Other Sources	1 380 500 (c) (d)		1 380 500 (c) (d)	776 325 (d)	56.2 (d)
Grand Total	2 236 154	(20 086)	2 216 068	1 240 422	56.0

Reconciliation to total expenditure:

Add:

UNDP and UNFPA Programme support costs	214
	<u>1 240 636</u>

Less:

Eliminations - Statement I	97 095
Regular Budget expenditure on Other purposes - Statement I	3 000

Total - International Health Programme - Statement I	<u>1 140 541</u>
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(a) As per Appropriation Resolution WHA54.20.

(b) Statement IV.

(c) Represents Other Sources figure as noted in the Appropriation Resolution for the financial period 2002-2003 (WHA54.20)

(d) The Programme Budget 2002-2003 excluded funds allocated to WHO for Iraq under the Oil-for-Food Programme as defined by United Nations Security Council Resolution 986. During 2002, WHO expenditure on the Oil-for-Food Programme amounted to US dollars 73.8 million which is included in the total Other Sources expenditure. Adjusting for this expenditure, the implementation rate as a percentage of Operational Budget for other sources is 50.9%.

Table 2

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002 - All Offices**
(expressed in thousands of US dollars)

Area of work	Regular Budget			Other Sources			Total		
	Programme		%	Programme		%	Programme		%
	Budget 2002-2003	Expenditure 2002		Budget 2002-2003	Expenditure 2002		Budget 2002-2003	Expenditure 2002	
Communicable diseases									
Communicable disease surveillance	13 743	8 078		57 000	25 902		70 743	33 980	
Communicable disease prevention, eradication and control	19 911	7 870		122 000	40 939		141 911	48 809	
Research and product development for communicable diseases	4 376	2 700		84 500	21 705		88 876	24 405	
Malaria	8 212	3 293		110 000	39 885		118 212	43 178	
Tuberculosis	4 650	3 165		100 000	44 537		104 650	47 702	
<i>Sub total</i>	50 892	25 106		473 500	172 968		524 392	198 074	
Transfers effected and unallocated balance	(1 001)						(1 001)		
<i>Operational Budget</i>	49 891	25 106	50.3	473 500	172 968	36.5	523 391	198 074	37.8
Noncommunicable diseases and mental health									
Surveillance, prevention and management of noncommunicable diseases	13 029	5 107		7 000	5 298		20 029	10 405	
Tobacco	5 708	4 131		19 500	10 376		25 208	14 507	
Health promotion	6 739	4 235		28 000	15 947		34 739	20 182	
Disability/injury prevention and rehabilitation	3 547	2 308		8 500	6 812		12 047	9 120	
Mental health and substance abuse	11 147	4 460		17 000	5 068		28 147	9 528	
<i>Sub total</i>	40 170	20 241		80 000	43 501		120 170	63 742	
Transfers effected and unallocated balance	634						634		
<i>Operational Budget</i>	40 804	20 241	49.6	80 000	43 501	54.4	120 804	63 742	52.8
Family and community health									
Child and adolescent health	8 127	5 030		64 000	20 579		72 127	25 609	
Research and programme development in reproductive health	6 252	3 516		61 000	26 698		67 252	30 214	
Making pregnancy safer	5 657	3 257		31 500	3 748		37 157	7 005	
Women's health	3 524	1 381		12 000	2 501		15 524	3 882	
HIV/AIDS	9 812	6 606		120 000	21 175		129 812	27 781	
<i>Sub total</i>	33 372	19 790		288 500	74 701		321 872	94 491	
Transfers effected and unallocated balance	566						566		
<i>Operational Budget</i>	33 938	19 790	58.3	288 500	74 701	25.9	322 438	94 491	29.3
Sustainable development and healthy environments									
Sustainable development	8 919	4 229		9 500	5 562		18 419	9 791	
Nutrition	6 975	4 030		7 500	4 469		14 475	8 499	
Health and environment	22 076	11 628		28 000	17 176		50 076	28 804	
Food safety	5 399	2 503		5 000	2 014		10 399	4 517	
Emergency preparedness and response	3 999	2 557		43 000	109 180 (a)		46 999	111 737 (a)	
<i>Sub total</i>	47 368	24 947		93 000	138 401		140 368	163 348	
Transfers effected and unallocated balance	429						429		
<i>Operational Budget</i>	47 797	24 947	52.2	93 000	138 401	148.8	140 797	163 348	116.0
Health technology and pharmaceuticals									
Essential medicines: access, quality and rational use	11 063	5 685		31 000	15 282		42 063	20 967	
Immunization and vaccine development	13 692	6 157		171 000	227 423		184 692	233 580	
Blood safety and clinical technology	10 227	4 913		15 500	3 265		25 727	8 178	
<i>Sub total</i>	34 982	16 755		217 500	245 970		252 482	262 725	
Transfers effected and unallocated balance	(1 829)						(1 829)		
<i>Operational Budget</i>	33 153	16 755	50.5	217 500	245 970	113.1	250 653	262 725	104.8

(a) See Table 1 Note (d)

Table 2 (continued)

Area of work	Regular Budget			Other Sources			Total		
	Programme		%	Programme		%	Programme		%
	Budget	Expenditure		Budget	Expenditure		Budget	Expenditure	
	2002-2003	2002		2002-2003	2002		2002-2003	2002	
Evidence and information for policy									
Evidence for health policy	22 225	12 855		21 000	12 631		43 225	25 486	
Health information management and dissemination	30 370	15 674		16 000	6 344		46 370	22 018	
Research policy and promotion	6 114	3 355		5 000	3 027		11 114	6 382	
Organization of health services	35 423	18 442		22 500	13 250		57 923	31 692	
<i>Sub total</i>	94 132	50 326		64 500	35 252		158 632	85 578	
Transfers effected and unallocated balance	(2 415)						(2 415)		
<i>Operational Budget</i>	91 717	50 326	54.9	64 500	35 252	54.7	156 217	85 578	54.8
External relations and governing bodies									
Governing bodies	21 439	11 300		1 000	837		22 439	12 137	
Resource mobilization, and external cooperation and partnerships	23 307	12 898		12 000	13 181		35 307	26 079	
<i>Sub total</i>	44 746	24 198		13 000	14 018		57 746	38 216	
Transfers effected and unallocated balance	114						114		
<i>Operational Budget</i>	44 860	24 198	53.9	13 000	14 018	107.8	57 860	38 216	66.0
General management									
Budget and management reform	6 932	3 545		1 000	755		7 932	4 300	
Human resources development	15 678	10 946		6 000	11 566		21 678	22 512	
Financial management	23 318	10 090		15 000	10 901		38 318	20 991	
Informatics and infrastructure services	93 531	55 725		40 000	26 135		133 531	81 860	
<i>Sub total</i>	139 459	80 306		62 000	49 357		201 459	129 663	
Transfers effected and unallocated balance	3 931						3 931		
<i>Operational Budget</i>	143 390	80 306	56.0	62 000	49 357	79.6	205 390	129 663	63.1
Director-General, Regional Directors and independent functions									
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	14 226	7 344		3 500	2 157		17 726	9 501	
Director-General's and Regional Directors' Development Programmes and initiatives	7 302	3 648					7 302	3 648	
<i>Sub total</i>	21 528	10 992		3 500	2 157		25 028	13 149	
Transfers effected and unallocated balance	1 561						1 561		
<i>Operational Budget</i>	23 089	10 992	47.6	3 500	2 157	61.6	26 589	13 149	49.5
AREAS OF WORK - TOTAL	506 649	272 661		1 295 500	776 325		1 802 149	1 048 986	
Transfers effected and unallocated balance	1 990						1 990		
<i>Sub Total - Operational Budget</i>	508 639	272 661	53.6	1 295 500	776 325	59.9	1 804 139	1 048 986	58.1
Country-level activities									
Country Programmes	336 005	186 562		85 000	(b)		421 005	186 562	
Transfers effected and unallocated balance	(22 076)						(22 076)		
<i>Operational Budget</i>	313 929	186 562	59.4	85 000			398 929	186 562	46.8
From Miscellaneous Income	13 000	4 874	37.5				13 000	4 874	37.5
TOTAL Budget	855 654	464 097	54.2	1 380 500	776 325	56.2	2 236 154	1 240 422	55.5
Transfers effected and unallocated balance	(20 086)						(20 086)		
TOTAL - OPERATIONAL BUDGET	835 568	464 097	55.5	1 380 500	776 325	56.2	2 216 068	1 240 422	56.0

(b) The budget of \$ 85 million refers to some interagency financing and provision for funds-in-trust.

The expenditure is recorded against the area of work where it occurred.

Table 3

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002 - By Office**
(expressed in thousands of US dollars)

Headquarters Area of work	Regular Budget			Other Sources	Total
	Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Communicable diseases					
Communicable disease surveillance	8 928	4 552		19 668	24 220
Communicable disease prevention, eradication and control	12 484	3 169		12 533	15 702
Research and product development for communicable diseases	3 772	2 512		21 595	24 107
Malaria	4 526	2 022		12 193	14 215
Tuberculosis	1 131	1 408		26 184	27 592
<i>Sub total</i>	<u>30 841</u>	<u>13 663</u>		<u>92 173</u>	<u>105 836</u>
Transfers effected and unallocated balance	(1 824)				
<i>Operational Budget</i>	<u>29 017</u>	<u>13 663</u>	<i>47.1</i>	<u>92 173</u>	<u>105 836</u>
Noncommunicable diseases and mental health					
Surveillance, prevention and management of noncommunicable diseases	8 012	2 784		3 944	6 728
Tobacco	3 183	2 186		6 519	8 705
Health promotion	3 033	1 526		14 397	15 923
Disability/injury prevention and rehabilitation	2 478	1 302		6 244	7 546
Mental health and substance abuse	5 427	2 277		4 261	6 538
<i>Sub total</i>	<u>22 133</u>	<u>10 075</u>		<u>35 365</u>	<u>45 440</u>
Transfers effected and unallocated balance	(708)				
<i>Operational Budget</i>	<u>21 425</u>	<u>10 075</u>	<i>47.0</i>	<u>35 365</u>	<u>45 440</u>
Family and community health					
Child and adolescent health	4 524	3 007		12 352	15 359
Research and programme development in reproductive health	3 836	1 542		22 202	23 744
Making pregnancy safer	1 467	870		3 637	4 507
Women's health	1 716	546		2 247	2 793
HIV/AIDS	4 010	2 911		8 492	11 403
<i>Sub total</i>	<u>15 553</u>	<u>8 876</u>		<u>48 930</u>	<u>57 806</u>
Transfers effected and unallocated balance	266				
<i>Operational Budget</i>	<u>15 819</u>	<u>8 876</u>	<i>56.1</i>	<u>48 930</u>	<u>57 806</u>
Sustainable development and healthy environments					
Sustainable development	5 175	1 667		2 563	4 230
Nutrition	3 532	2 081		3 134	5 215
Health and environment	10 766	4 863		10 752	15 615
Food safety	3 506	1 707		1 618	3 325
Emergency preparedness and response	1 509	667		75 638 (a)	76 305
<i>Sub total</i>	<u>24 488</u>	<u>10 985</u>		<u>93 705</u>	<u>104 690</u>
Transfers effected and unallocated balance	(1 572)				
<i>Operational Budget</i>	<u>22 916</u>	<u>10 985</u>	<i>47.9</i>	<u>93 705</u>	<u>104 690</u>
Health technology and pharmaceuticals					
Essential medicines: access, quality and rational use	7 048	3 352		10 942	14 294
Immunization and vaccine development	9 241	3 476		44 954	48 430
Blood safety and clinical technology	5 682	2 888		2 810	5 698
<i>Sub total</i>	<u>21 971</u>	<u>9 716</u>		<u>58 706</u>	<u>68 422</u>
Transfers effected and unallocated balance	(2 051)				
<i>Operational Budget</i>	<u>19 920</u>	<u>9 716</u>	<i>48.8</i>	<u>58 706</u>	<u>68 422</u>

Table 3 (continued)

Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Evidence and information for policy					
Evidence for health policy	13 172	8 900		8 449	17 349
Health information management and dissemination	15 059	8 298		5 464	13 762
Research policy and promotion	2 570	1 812		1 338	3 150
Organization of health services	9 491	5 286		6 447	11 733
<i>Sub total</i>	40 292	24 296		21 698	45 994
Transfers effected and unallocated balance	(384)				
<i>Operational Budget</i>	39 908	24 296	60.9	21 698	45 994
External relations and governing bodies					
Governing bodies	18 136	8 859		790	9 649
Resource mobilization, and external cooperation and partnerships	15 167	7 446		3 341	10 787
<i>Sub total</i>	33 303	16 305		4 131	20 436
Transfers effected and unallocated balance	(1 078)				
<i>Operational Budget</i>	32 225	16 305	50.6	4 131	20 436
General management					
Budget and management reform	3 703	1 613		479	2 092
Human resources development	7 695	7 167		10 280	17 447
Financial management	12 852	5 341		8 026	13 367
Informatics and infrastructure services	55 258	28 275		15 703	43 978
<i>Sub total</i>	79 508	42 396		34 488	76 884
Transfers effected and unallocated balance	(1 161)				
<i>Operational Budget</i>	78 347	42 396	54.1	34 488	76 884
Director-General, Regional Directors and independent functions					
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	7 678	3 964		1 968	5 932
Director-General's and Regional Directors' Development Programmes and initiatives	3 288	1 649			1 649
<i>Sub total</i>	10 966	5 613		1 968	7 581
Transfers effected and unallocated balance	940				
<i>Operational Budget</i>	11 906	5 613	47.1	1 968	7 581
AREAS OF WORK - TOTAL					
	279 055	141 925		391 164	533 089
Transfers effected and unallocated balance	(7 571)				
<i>Sub total - Operational Budget</i>	271 484	141 925	52.3	391 164	533 089
From Miscellaneous Income	13 000	4 874	37.5		4 874
TOTAL - OPERATIONAL BUDGET - HEADQUARTERS	284 484	146 799	51.6	391 164	537 963

(a) See Table 1 Note (d)

Table 3 (continued)

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002- By Office**
(expressed in thousands of US dollars)

Regional Office for Africa	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Communicable diseases					
Communicable disease surveillance	1 795	1 573		3 598	5 171
Communicable disease prevention, eradication and control	1 141	1 425		22 410	23 835
Research and product development for communicable diseases	380	158			158
Malaria	1 131	398		10 463	10 861
Tuberculosis	981	727		1 056	1 783
<i>Sub total</i>	<u>5 428</u>	<u>4 281</u>		<u>37 527</u>	<u>41 808</u>
Transfers effected and unallocated balance	575				
<i>Operational Budget</i>	<u>6 003</u>	<u>4 281</u>	<u>71.3</u>	<u>37 527</u>	<u>41 808</u>
Noncommunicable diseases and mental health					
Surveillance, prevention and management of noncommunicable diseases	2 457	1 119		214	1 333
Tobacco	701	509		749	1 258
Health promotion	442	566		140	706
Disability/injury prevention and rehabilitation	275	301		3	304
Mental health and substance abuse	1 351	565		23	588
<i>Sub total</i>	<u>5 226</u>	<u>3 060</u>		<u>1 129</u>	<u>4 189</u>
Transfers effected and unallocated balance	473				
<i>Operational Budget</i>	<u>5 699</u>	<u>3 060</u>	<u>53.7</u>	<u>1 129</u>	<u>4 189</u>
Family and community health					
Child and adolescent health	1 221	559		4 871	5 430
Research and programme development in reproductive health	1 666	1 625		839	2 464
Making pregnancy safer	2 098	1 292			1 292
Women's health	862	535		64	599
HIV/AIDS	3 017	2 246		1 851	4 097
<i>Sub total</i>	<u>8 864</u>	<u>6 257</u>		<u>7 625</u>	<u>13 882</u>
Transfers effected and unallocated balance	46				
<i>Operational Budget</i>	<u>8 910</u>	<u>6 257</u>	<u>70.2</u>	<u>7 625</u>	<u>13 882</u>
Sustainable development and healthy environments					
Sustainable development	1 132	935		189	1 124
Nutrition	682	659		96	755
Health and environment	2 254	1 375		12	1 387
Food safety	150	123			123
Emergency preparedness and response	1 225	1 030		389	1 419
<i>Sub total</i>	<u>5 443</u>	<u>4 122</u>		<u>686</u>	<u>4 808</u>
Transfers effected and unallocated balance	300				
<i>Operational Budget</i>	<u>5 743</u>	<u>4 122</u>	<u>71.8</u>	<u>686</u>	<u>4 808</u>
Health technology and pharmaceuticals					
Essential medicines: access, quality and rational use	1 609	1 134		446	1 580
Immunization and vaccine development	415	397		47 156	47 553
Blood safety and clinical technology	1 874	974			974
<i>Sub total</i>	<u>3 898</u>	<u>2 505</u>		<u>47 602</u>	<u>50 107</u>
Transfers effected and unallocated balance	(140)				
<i>Operational Budget</i>	<u>3 758</u>	<u>2 505</u>	<u>66.7</u>	<u>47 602</u>	<u>50 107</u>

Table 3 (continued)

Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Evidence and information for policy					
Evidence for health policy	1 505	604		25	629
Health information management and dissemination	3 677	2 620		21	2 641
Research policy and promotion	716	332		1	333
Organization of health services	7 512	4 330		853	5 183
<i>Sub total</i>	13 410	7 886		900	8 786
Transfers effected and unallocated balance	92				
<i>Operational Budget</i>	13 502	7 886	58.4	900	8 786
External relations and governing bodies					
Governing bodies	1 374	1 570			1 570
Resource mobilization, and external cooperation and partnerships	2 605	1 574		2 077	3 651
<i>Sub total</i>	3 979	3 144		2 077	5 221
Transfers effected and unallocated balance	408				
<i>Operational Budget</i>	4 387	3 144	71.7	2 077	5 221
General management					
Budget and management reform	557	489		98	587
Human resources development	2 442	988		915	1 903
Financial management	3 600	1 847		2 553	4 400
Informatics and infrastructure services	12 378	13 777		5 079	18 856
<i>Sub total</i>	18 977	17 101		8 645	25 746
Transfers effected and unallocated balance	6 063				
<i>Operational Budget</i>	25 040	17 101	68.3	8 645	25 746
Director-General, Regional Directors and independent functions					
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	1 084	675			675
Director-General's and Regional Directors' Development Programmes and initiatives	630	522			522
<i>Sub total</i>	1 714	1 197			1 197
Transfers effected and unallocated balance	(15)				
<i>Operational Budget</i>	1 699	1 197	70.5		1 197
AREAS OF WORK - TOTAL					
Transfers effected and unallocated balance	7 802				
<i>Sub total - Operational Budget</i>	74 741	49 553	66.3	106 191	155 744
Country-level activities					
Country Programmes	119 533	72 659		81 137	153 796
Transfers effected and unallocated balance	(11 645)				
<i>Sub total - Country Programmes - Operational Budget</i>	107 888	72 659	67.3	81 137	153 796
TOTAL - Budget					
Transfers effected and unallocated balance	(3 843)				
TOTAL - OPERATIONAL BUDGET - AFRICA	182 629	122 212	66.9	187 328	309 540

Table 3 (continued)

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002- By Office**
(expressed in thousands of US dollars)

Regional Office for the Americas Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Communicable diseases					
Communicable disease surveillance	1 150	730			730
Communicable disease prevention, eradication and control	4 599	2 183		643	2 826
Research and product development for communicable diseases	124	30		40	70
Malaria	545	174		767	941
Tuberculosis	135	24		242	266
<i>Sub total</i>	<u>6 553</u>	<u>3 141</u>		<u>1 692</u>	<u>4 833</u>
Transfers effected and unallocated balance	(151)				
<i>Operational Budget</i>	<u>6 402</u>	<u>3 141</u>	<i>49.1</i>	<u>1 692</u>	<u>4 833</u>
Noncommunicable diseases and mental health					
Surveillance, prevention and management of noncommunicable diseases	340	312		86	398
Tobacco	400	408		149	557
Health promotion	492	602		30	632
Disability/injury prevention and rehabilitation		111			111
Mental health and substance abuse	2 136	438		24	462
<i>Sub total</i>	<u>3 368</u>	<u>1 871</u>		<u>289</u>	<u>2 160</u>
Transfers effected and unallocated balance	101				
<i>Operational Budget</i>	<u>3 469</u>	<u>1 871</u>	<i>53.9</i>	<u>289</u>	<u>2 160</u>
Family and community health					
Child and adolescent health	560	262		282	544
Research and programme development in reproductive health		179		172	351
Making pregnancy safer	398	14			14
Women's health					
HIV/AIDS		25		316	341
<i>Sub total</i>	<u>958</u>	<u>480</u>		<u>770</u>	<u>1 250</u>
Transfers effected and unallocated balance	(22)				
<i>Operational Budget</i>	<u>936</u>	<u>480</u>	<i>51.3</i>	<u>770</u>	<u>1 250</u>
Sustainable development and healthy environments					
Sustainable development	793	426			426
Nutrition	1 186	391		130	521
Health and environment	1 634	1 066		3	1 069
Food safety	418	214			214
Emergency preparedness and response				249	249
<i>Sub total</i>	<u>4 031</u>	<u>2 097</u>		<u>382</u>	<u>2 479</u>
Transfers effected and unallocated balance	(93)				
<i>Operational Budget</i>	<u>3 938</u>	<u>2 097</u>	<i>53.3</i>	<u>382</u>	<u>2 479</u>
Health technology and pharmaceuticals					
Essential medicines: access, quality and rational use	257	82		76	158
Immunization and vaccine development	1 378	643		638	1 281
Blood safety and clinical technology	405	134			134
<i>Sub total</i>	<u>2 040</u>	<u>859</u>		<u>714</u>	<u>1 573</u>
Transfers effected and unallocated balance	(47)				
<i>Operational Budget</i>	<u>1 993</u>	<u>859</u>	<i>43.1</i>	<u>714</u>	<u>1 573</u>

Table 3 (continued)

Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Evidence and information for policy					
Evidence for health policy	1 315	674			674
Health information management and dissemination	2 227	957			957
Research policy and promotion	414	156		127	283
Organization of health services	4 300	2 608		171	2 779
<i>Sub total</i>	8 256	4 395		298	4 693
Transfers effected and unallocated balance	(190)				
<i>Operational Budget</i>	8 066	4 395	54.5	298	4 693
External relations and governing bodies					
Governing bodies	286				
Resource mobilization, and external cooperation and partnerships	1 150	1 340		22	1 362
<i>Sub total</i>	1 436	1 340		22	1 362
Transfers effected and unallocated balance	(33)				
<i>Operational Budget</i>	1 403	1 340	95.5	22	1 362
General management					
Budget and management reform					
Human resources development	802	503			503
Financial management	1 761	1 284			1 284
Informatics and infrastructure services	3 111	1 339		385	1 724
<i>Sub total</i>	5 674	3 126		385	3 511
Transfers effected and unallocated balance	(130)				
<i>Operational Budget</i>	5 544	3 126	56.4	385	3 511
Director-General, Regional Directors and independent functions					
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	783	342		19	361
Director-General's and Regional Directors' Development Programmes and initiatives	34				
<i>Sub total</i>	817	342		19	361
Transfers effected and unallocated balance	10				
<i>Operational Budget</i>	827	342	41.4	19	361
AREAS OF WORK - TOTAL					
	33 133	17 651		4 571	22 222
Transfers effected and unallocated balance	(555)				
<i>Sub total - Operational Budget</i>	32 578	17 651	54.2	4 571	22 222
Country-level activities					
Country Programmes	41 549	21 891		2 478	24 369
Transfers effected and unallocated balance	(956)				
<i>Sub total - Country Programmes - Operational Budget</i>	40 593	21 891		2 478	24 369
TOTAL - Budget					
	74 682	39 542		7 049	46 591
Transfers effected and unallocated balance	(1 511)				
TOTAL - OPERATIONAL BUDGET - THE AMERICAS	73 171	39 542	54.0	7 049	46 591

Table 3 (continued)

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002- By Office**
(expressed in thousands of US dollars)

Regional Office for South-East Asia Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Communicable diseases					
Communicable disease surveillance	737	679		22	701
Communicable disease prevention, eradication and control	727	423		1 142	1 565
Research and product development for communicable diseases	100				
Malaria	396	180		723	903
Tuberculosis	150	121		1 389	1 510
<i>Sub total</i>	2 110	1 403		3 276	4 679
Transfers effected and unallocated balance	397				
<i>Operational Budget</i>	2 507	1 403	56.0	3 276	4 679
Noncommunicable diseases and mental health					
Surveillance, prevention and management of noncommunicable diseases	150	147		64	211
Tobacco	429	391		211	602
Health promotion	487	196			196
Disability/injury prevention and rehabilitation	346	393		34	427
Mental health and substance abuse	383	308			308
<i>Sub total</i>	1 795	1 435		309	1 744
Transfers effected and unallocated balance	870				
<i>Operational Budget</i>	2 665	1 435	53.8	309	1 744
Family and community health					
Child and adolescent health	414	642		429	1 071
Research and programme development in reproductive health	100	46		4	50
Making pregnancy safer	514	308			308
Women's health	323	263			263
HIV/AIDS	441	280		457	737
<i>Sub total</i>	1 792	1 539		890	2 429
Transfers effected and unallocated balance	1 245				
<i>Operational Budget</i>	3 037	1 539	50.7	890	2 429
Sustainable development and healthy environments					
Sustainable development	853	441			441
Nutrition	426	299		(2)	297
Health and environment	989	722			722
Food safety	106	123			123
Emergency preparedness and response	353	73		373	446
<i>Sub total</i>	2 727	1 658		371	2 029
Transfers effected and unallocated balance	530				
<i>Operational Budget</i>	3 257	1 658	50.9	371	2 029
Health technology and pharmaceuticals					
Essential medicines: access, quality and rational use	431	197		106	303
Immunization and vaccine development	435	289		3 665	3 954
Blood safety and clinical technology	468	429		29	458
<i>Sub total</i>	1 334	915		3 800	4 715
Transfers effected and unallocated balance	344				
<i>Operational Budget</i>	1 678	915	54.5	3 800	4 715

Table 3 (continued)

Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Evidence and information for policy					
Evidence for health policy	1 189	500		35	535
Health information management and dissemination	868	431		152	583
Research policy and promotion	1 069	559			559
Organization of health services	2 573	1 287		30	1 317
<i>Sub total</i>	5 699	2 777		217	2 994
Transfers effected and unallocated balance	(409)				
<i>Operational Budget</i>	5 290	2 777	52.5	217	2 994
External relations and governing bodies					
Governing bodies	300	118			118
Resource mobilization, and external cooperation and partnerships	741	183		264	447
<i>Sub total</i>	1 041	301		264	565
Transfers effected and unallocated balance	(391)				
<i>Operational Budget</i>	650	301	46.3	264	565
General management					
Budget and management reform	776	338		87	425
Human resources development	708	290		108	398
Financial management	849	403		122	525
Informatics and infrastructure services	3 041	1 875		1 738	3 613
<i>Sub total</i>	5 374	2 906		2 055	4 961
Transfers effected and unallocated balance	485				
<i>Operational Budget</i>	5 859	2 906	49.6	2 055	4 961
Director-General, Regional Directors and independent functions					
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	956	555		63	618
Director-General's and Regional Directors' Development Programmes and initiatives	428	168			168
<i>Sub total</i>	1 384	723		63	786
Transfers effected and unallocated balance	160				
<i>Operational Budget</i>	1 544	723	46.8	63	786
AREAS OF WORK - TOTAL					
	23 256	13 657		11 245	24 902
Transfers effected and unallocated balance	3 231				
<i>Sub total - Operational Budget</i>	26 487	13 657	51.6	11 245	24 902
Country-level activities					
Country Programmes	69 766	42 264		43 513	85 777
Transfers effected and unallocated balance	(5 248)				
<i>Sub total - Country Programmes - Operational Budget</i>	64 518	42 264	65.5	43 513	85 777
TOTAL - Budget					
	93 022	55 921		54 758	110 679
Transfers effected and unallocated balance	(2 017)				
TOTAL - OPERATIONAL BUDGET - SOUTH-EAST ASIA	91 005	55 921	61.4	54 758	110 679

Table 3 (continued)

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002- By Office**
(expressed in thousands of US dollars)

Regional Office for Europe Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Communicable diseases					
Communicable disease surveillance		27		244	271
Communicable disease prevention, eradication and control				56	56
Research and product development for communicable diseases					
Malaria	30	2		747	749
Tuberculosis	827	291		437	728
<i>Sub total</i>	<u>857</u>	<u>320</u>		<u>1 484</u>	<u>1 804</u>
Transfers effected and unallocated balance	(74)				
<i>Operational Budget</i>	<u>783</u>	<u>320</u>	<u>40.9</u>	<u>1 484</u>	<u>1 804</u>
Noncommunicable diseases and mental health					
Surveillance, prevention and management of noncommunicable diseases	328	165		386	551
Tobacco	328	260		1 183	1 443
Health promotion	550	349		629	978
Disability/injury prevention and rehabilitation					
Mental health and substance abuse	1 086	469		417	886
<i>Sub total</i>	<u>2 292</u>	<u>1 243</u>		<u>2 615</u>	<u>3 858</u>
Transfers effected and unallocated balance	87				
<i>Operational Budget</i>	<u>2 379</u>	<u>1 243</u>	<u>52.2</u>	<u>2 615</u>	<u>3 858</u>
Family and community health					
Child and adolescent health	458	253		509	762
Research and programme development in reproductive health		39		45	84
Making pregnancy safer	400	300		82	382
Women's health	328	20		129	149
HIV/AIDS	1 132	631		957	1 588
<i>Sub total</i>	<u>2 318</u>	<u>1 243</u>		<u>1 722</u>	<u>2 965</u>
Transfers effected and unallocated balance	(199)				
<i>Operational Budget</i>	<u>2 119</u>	<u>1 243</u>	<u>58.7</u>	<u>1 722</u>	<u>2 965</u>
Sustainable development and healthy environments					
Sustainable development	458	271		1 221	1 492
Nutrition	458	210		44	254
Health and environment	2 720	1 147		5 264	6 411
Food safety	500	185		7	192
Emergency preparedness and response	550	220		1 008	1 228
<i>Sub total</i>	<u>4 686</u>	<u>2 033</u>		<u>7 544</u>	<u>9 577</u>
Transfers effected and unallocated balance	(403)				
<i>Operational Budget</i>	<u>4 283</u>	<u>2 033</u>	<u>47.5</u>	<u>7 544</u>	<u>9 577</u>
Health technology and pharmaceuticals					
Essential medicines: access, quality and rational use	458	295		559	854
Immunization and vaccine development	723	507		4 836	5 343
Blood safety and clinical technology	871	199		19	218
<i>Sub total</i>	<u>2 052</u>	<u>1 001</u>		<u>5 414</u>	<u>6 415</u>
Transfers effected and unallocated balance	24				
<i>Operational Budget</i>	<u>2 076</u>	<u>1 001</u>	<u>48.2</u>	<u>5 414</u>	<u>6 415</u>

Table 3 (continued)

Area of work	Regular Budget			Other Sources	Total
	Programme		%	Expenditure 2002	Expenditure 2002
	Budget 2002-2003	Expenditure 2002			
Evidence and information for policy					
Evidence for health policy	3 532	1 385		3 672	5 057
Health information management and dissemination	4 804	1 918		506	2 424
Research policy and promotion	346	120		1 380	1 500
Organization of health services	2 893	884		1 379	2 263
<i>Sub total</i>	11 575	4 307		6 937	11 244
Transfers effected and unallocated balance	(1 195)				
<i>Operational Budget</i>	10 380	4 307	41.5	6 937	11 244
External relations and governing bodies					
Governing bodies	648	388		46	434
Resource mobilization, and external cooperation and partnerships	968	531		56	587
<i>Sub total</i>	1 616	919		102	1 021
Transfers effected and unallocated balance	161				
<i>Operational Budget</i>	1 777	919	51.7	102	1 021
General management					
Budget and management reform	1 206	643		6	649
Human resources development	2 253	1 164		50	1 214
Financial management	1 506	553		161	714
Informatics and infrastructure services	8 751	3 744		1 627	5 371
<i>Sub total</i>	13 716	6 104		1 844	7 948
Transfers effected and unallocated balance	(1 068)				
<i>Operational Budget</i>	12 648	6 104	48.3	1 844	7 948
Director-General, Regional Directors and independent functions					
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	1 094	459		71	530
Director-General's and Regional Directors' Development Programmes and initiatives	900	783			783
<i>Sub total</i>	1 994	1 242		71	1 313
Transfers effected and unallocated balance	217				
<i>Operational Budget</i>	2 211	1 242	56.2	71	1 313
AREAS OF WORK - TOTAL					
	41 106	18 412		27 733	46 145
Transfers effected and unallocated balance	(2 450)				
<i>Sub total - Operational Budget</i>	38 656	18 412	47.6	27 733	46 145
Country-level activities					
Country Programmes	11 665	6 213		15 840	22 053
Transfers effected and unallocated balance	498				
<i>Sub total - Country Programmes - Operational Budget</i>	12 163	6 213	51.1	15 840	22 053
TOTAL - Budget					
	52 771	24 625		43 573	68 198
Transfers effected and unallocated balance	(1 952)				
TOTAL - OPERATIONAL BUDGET - EUROPE	50 819	24 625	48.5	43 573	68 198

Table 3 (continued)

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002- By Office**
(expressed in thousands of US dollars)

Regional Office for Eastern Mediterranean	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Communicable diseases					
Communicable disease surveillance	447	137		84	221
Communicable disease prevention, eradication and control	650	332		403	735
Research and product development for communicable diseases				68	68
Malaria	640	128		1 994	2 122
Tuberculosis	433	198		618	816
<i>Sub total</i>	2 170	795		3 167	3 962
Transfers effected and unallocated balance	(156)				
<i>Operational Budget</i>	2 014	795	39.5	3 167	3 962
Noncommunicable diseases and mental health					
Surveillance, prevention and management of noncommunicable diseases	480	201		330	531
Tobacco	417	265		188	453
Health promotion	700	560		25	585
Disability/injury prevention and rehabilitation	357	125		(11)	114
Mental health and substance abuse	472	185		10	195
<i>Sub total</i>	2 426	1 336		542	1 878
Transfers effected and unallocated balance	79				
<i>Operational Budget</i>	2 505	1 336	53.3	542	1 878
Family and community health					
Child and adolescent health	387	50		616	666
Research and programme development in reproductive health	57	18		85	103
Making pregnancy safer	580	180			180
Women's health	295	17			17
HIV/AIDS	567	148		360	508
<i>Sub total</i>	1 886	413		1 061	1 474
Transfers effected and unallocated balance	(724)				
<i>Operational Budget</i>	1 162	413	35.5	1 061	1 474
Sustainable development and healthy environments					
Sustainable development	508	489			489
Nutrition	261	183		578	761
Health and environment	1 521	1 380		311	1 691
Food safety	372	18		28	46
Emergency preparedness and response	265	483		5 198 (a)	5 681
<i>Sub total</i>	2 927	2 553		6 115	8 668
Transfers effected and unallocated balance	1 737				
<i>Operational Budget</i>	4 664	2 553	54.7	6 115	8 668
Health technology and pharmaceuticals					
Essential medicines: access, quality and rational use	517	217		174	391
Immunization and vaccine development	449	135		10 623	10 758
Blood safety and clinical technology	655	204		4	208
<i>Sub total</i>	1 621	556		10 801	11 357
Transfers effected and unallocated balance	(212)				
<i>Operational Budget</i>	1 409	556	39.5	10 801	11 357

Table 3 (continued)

Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Evidence and information for policy					
Evidence for health policy	959	364		93	457
Health information management and dissemination	1 348	681		55	736
Research policy and promotion	453	314			314
Organization of health services	4 771	2 154		19	2 173
<i>Sub total</i>	<u>7 531</u>	<u>3 513</u>		<u>167</u>	<u>3 680</u>
Transfers effected and unallocated balance	131				
<i>Operational Budget</i>	<u>7 662</u>	<u>3 513</u>	<u>45.8</u>	<u>167</u>	<u>3 680</u>
External relations and governing bodies					
Governing bodies	230	140			140
Resource mobilization, and external cooperation and partnerships	745	1 129		28	1 157
<i>Sub total</i>	<u>975</u>	<u>1 269</u>		<u>28</u>	<u>1 297</u>
Transfers effected and unallocated balance	1 102				
<i>Operational Budget</i>	<u>2 077</u>	<u>1 269</u>	<u>61.1</u>	<u>28</u>	<u>1 297</u>
General management					
Budget and management reform	690	223			223
Human resources development	1 051	455		76	531
Financial management	1 341	481			481
Informatics and infrastructure services	5 372	4 278		1 124	5 402
<i>Sub total</i>	<u>8 454</u>	<u>5 437</u>		<u>1 200</u>	<u>6 637</u>
Transfers effected and unallocated balance	(81)				
<i>Operational Budget</i>	<u>8 373</u>	<u>5 437</u>	<u>64.9</u>	<u>1 200</u>	<u>6 637</u>
Director-General, Regional Directors and independent functions					
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	1 546	923		35	958
Director-General's and Regional Directors' Development Programmes and initiatives	1 022	304			304
<i>Sub total</i>	<u>2 568</u>	<u>1 227</u>		<u>35</u>	<u>1 262</u>
Transfers effected and unallocated balance	256				
<i>Operational Budget</i>	<u>2 824</u>	<u>1 227</u>	<u>43.4</u>	<u>35</u>	<u>1 262</u>
AREAS OF WORK - TOTAL					
Transfers effected and unallocated balance	2 132				
<i>Sub total - Operational Budget</i>	<u>32 690</u>	<u>17 099</u>	<u>52.3</u>	<u>23 116</u>	<u>40 215</u>
Country-level activities					
Country Programmes	52 832	25 549		38 651	64 200
Transfers effected and unallocated balance	(3 790)				
<i>Sub total - Country Programmes - Operational Budget</i>	<u>49 042</u>	<u>25 549</u>	<u>52.1</u>	<u>38 651</u>	<u>64 200</u>
TOTAL - Budget					
Transfers effected and unallocated balance	(1 658)				
TOTAL - OPERATIONAL BUDGET - EASTERN MEDITERRANEAN	<u>81 732</u>	<u>42 648</u>	<u>52.2</u>	<u>61 767</u>	<u>104 415</u>

(a) See Table 1 Note (d)

Table 3 (continued)

**Budget and Expenditure Summary by Area of Work
as at 31 December 2002- By Office**
(expressed in thousands of US dollars)

Regional Office for the Western Pacific Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Communicable diseases					
Communicable disease surveillance	686	380		371	751
Communicable disease prevention, eradication and control	310	338		620	958
Research and product development for communicable diseases				3	3
Malaria	944	389		1 906	2 295
Tuberculosis	993	396		1 027	1 423
<i>Sub total</i>	<u>2 933</u>	<u>1 503</u>		<u>3 927</u>	<u>5 430</u>
Transfers effected and unallocated balance	232				
<i>Operational Budget</i>	<u>3 165</u>	<u>1 503</u>	<u>47.5</u>	<u>3 927</u>	<u>5 430</u>
Noncommunicable diseases and mental health					
Surveillance, prevention and management of noncommunicable diseases	1 262	379		40	419
Tobacco	250	112		966	1 078
Health promotion	1 035	436		299	735
Disability/injury prevention and rehabilitation	91	76		31	107
Mental health and substance abuse	292	218		48	266
<i>Sub total</i>	<u>2 930</u>	<u>1 221</u>		<u>1 384</u>	<u>2 605</u>
Transfers effected and unallocated balance	(268)				
<i>Operational Budget</i>	<u>2 662</u>	<u>1 221</u>	<u>45.9</u>	<u>1 384</u>	<u>2 605</u>
Family and community health					
Child and adolescent health	563	257		458	715
Research and programme development in reproductive health	593	67		951	1 018
Making pregnancy safer	200	293			293
Women's health				(1)	(1)
HIV/AIDS	645	365		946	1 311
<i>Sub total</i>	<u>2 001</u>	<u>982</u>		<u>2 354</u>	<u>3 336</u>
Transfers effected and unallocated balance	(46)				
<i>Operational Budget</i>	<u>1 955</u>	<u>982</u>	<u>50.2</u>	<u>2 354</u>	<u>3 336</u>
Sustainable development and healthy environments					
Sustainable development					
Nutrition	430	207		106	313
Health and environment	2 192	1 075		83	1 158
Food safety	347	133			133
Emergency preparedness and response	97	84		274	358
<i>Sub total</i>	<u>3 066</u>	<u>1 499</u>		<u>463</u>	<u>1 962</u>
Transfers effected and unallocated balance	(70)				
<i>Operational Budget</i>	<u>2 996</u>	<u>1 499</u>	<u>50.0</u>	<u>463</u>	<u>1 962</u>
Health technology and pharmaceuticals					
Essential medicines: access, quality and rational use	743	408		229	637
Immunization and vaccine development	1 051	710		4 164	4 874
Blood safety and clinical technology	272	85		3	88
<i>Sub total</i>	<u>2 066</u>	<u>1 203</u>		<u>4 396</u>	<u>5 599</u>
Transfers effected and unallocated balance	253				
<i>Operational Budget</i>	<u>2 319</u>	<u>1 203</u>	<u>51.9</u>	<u>4 396</u>	<u>5 599</u>

Table 3 (continued)

Area of work	Regular Budget			Other Sources	Total
	Programme Budget 2002-2003	Expenditure 2002	%	Expenditure 2002	Expenditure 2002
Evidence and information for policy					
Evidence for health policy	553	428		127	555
Health information management and dissemination	2 387	769			769
Research policy and promotion	546	62			62
Organization of health services	3 883	1 893		256	2 149
<i>Sub total</i>	7 369	3 152		383	3 535
Transfers effected and unallocated balance	(460)				
<i>Operational Budget</i>	6 909	3 152	45.6	383	3 535
External relations and governing bodies					
Governing bodies	465	225			225
Resource mobilization, and external cooperation and partnerships	1 931	695		6 587	7 282
<i>Sub total</i>	2 396	920		6 587	7 507
Transfers effected and unallocated balance	(55)				
<i>Operational Budget</i>	2 341	920	39.3	6 587	7 507
General management					
Budget and management reform		239		84	323
Human resources development	727	379		137	516
Financial management	1 409	181		37	218
Informatics and infrastructure services	5 620	2 437		469	2 906
<i>Sub total</i>	7 756	3 236		727	3 963
Transfers effected and unallocated balance	(178)				
<i>Operational Budget</i>	7 578	3 236	42.7	727	3 963
Director-General, Regional Directors and independent functions					
Director-General's and Regional Directors' offices (including Audit, Oversight and Legal)	1 085	426			426
Director-General's and Regional Directors' Development Programmes and initiatives	1 000	222			222
<i>Sub total</i>	2 085	648			648
Transfers effected and unallocated balance	(7)				
<i>Operational Budget</i>	2 078	648	31.2		648
AREAS OF WORK - TOTAL					
	32 602	14 364		20 221	34 585
Transfers effected and unallocated balance	(599)				
<i>Sub total - Operational Budget</i>	32 003	14 364	44.9	20 221	34 585
Country-level activities					
Country Programmes	40 660	17 986		10 465	28 451
Transfers effected and unallocated balance	(935)				
<i>Sub total - Country Programmes - Operational Budget</i>	39 725	17 986	45.3	10 465	28 451
TOTAL - Budget					
	73 262	32 350		30 686	63 036
Transfers effected and unallocated balance	(1 534)				
TOTAL - OPERATIONAL BUDGET - WESTERN PACIFIC	71 728	32 350	45.1	30 686	63 036

GLOSSARY OF BUDGETARY AND FINANCIAL TERMS

2002

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 and shows 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.

Term	Definition
<i>Accrual Accounting</i>	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.
<i>Appropriation</i>	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.
<i>Assessments</i>	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.
<i>Budget</i>	A plan in financial terms for executing a programme of activities in a specified period.
<i>Effective Working Budget</i>	The effective working budget represents the approved Regular Budget, after any transfers between appropriation sections and against which the Director-General is authorized to incur obligations.
<i>Exchange Rate Hedging</i>	In adopting the Appropriation Resolution for 2002-2003, the Health Assembly also approved a new exchange rate hedging mechanism in lieu of the former exchange rate facility. The purpose of the mechanism is to make it possible to maintain the level of the budget so that the activities that are represented by the budget approved by the Health Assembly may be carried out irrespective of the effect of any fluctuation of currencies against the US dollar.
<i>Expenditure</i>	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.
<i>Fund Accounting</i>	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.

Term	Definition
<i>Internal Borrowing</i>	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.
<i>Operational Budget</i>	That part of the Effective Working Budget which has been allocated for programme implementation.
<i>Revolving Fund</i>	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.
<i>Unliquidated Obligation</i>	That part of an obligation, which has not been paid, i.e., an outstanding liability.
<i>Savings on Unliquidated Obligations</i>	The balance remaining within an unliquidated obligation after payment of all liabilities under that obligation.
<i>Unobligated Balance</i>	That part of an appropriation, allocation or allotment which has not been obligated.
<i>Unobligated Balance of Regular Budget Appropriations</i>	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 miscellaneous income. The unfunded part of the unobligated balance of Regular Budget appropriations is credited to miscellaneous income only when the underlying outstanding assessed contributions are collected.
<i>Working Capital Fund</i>	A fund established by the Health Assembly 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.

