



WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY
Provisional agenda item 16.1

A56/47
17 May 2003

Unaudited interim financial report on the accounts of WHO for 2002

First report of the Administration, Budget and Finance Committee of the Executive Board to the Fifty-sixth World Health Assembly

1. The nineteenth meeting of the Administration, Budget and Finance Committee (ABFC) was held in Geneva on 15 May 2003 under the chairmanship of Dr A.A. Yoosuf (Maldives). The list of participants appears in the Annex. The Committee adopted the provisional agenda, noting the change of a document number.¹
2. The Committee noted with great regret the demise on 13 May 2003 of Mr Maryan Baquerot, Executive Director, General Management. The Committee observed a minute's silence.

UNAUDITED INTERIM FINANCIAL REPORT ON THE ACCOUNTS OF WHO FOR 2002

3. The Committee noted the salient points of the interim financial report.²
 - The financial report follows the structure of the Programme budget for 2002-2003, and shows the integrated expenditure plan, covering all sources of funding, and financial implementation against the Programme budget by area of work;
 - the overall level of implementation for all sources of funds is 56%, which is on track to meet the Organization's plans for the biennium;
 - extrabudgetary funding for the Organization during the year remained strong. The positive trends that began in 1998-1999 have been sustained through the past biennium into the current biennium;
 - expenditure has increased by a higher percentage rate than income, which means that the rate of implementation has risen and fund balances have fallen;

¹ Document EBABFC19/1.

² Documents A56/28 and A56/28 Add.1.

- the rate of collection of assessed contributions for 2002 was 82%. This rate is lower than the 87% for the first year of the past biennium, when an overall rate of 92% was recorded for the full biennium. From assessments due, US\$ 71 million is outstanding for 2002 compared with US\$ 64 million for the whole of the biennium 2000-2001. Total outstanding assessments at 31 December 2002 were US\$ 169 million, up from US\$ 146 million at 31 December 2001. Long-term outstanding assessed contributions have increased from US\$ 82 million at 31 December 2001 to US\$ 98 million at 31 December 2002;
- internal borrowing has increased. At 31 December 2002, total borrowing was US\$ 107 million, which compares unfavourably with US\$ 56 million at the end of 2001. The deterioration in the borrowing position is largely the result of the lower level of collection of Members' assessed contributions.

4. The Committee appreciated the improvements in the financial reporting. In response to a query on the relatively high level of internal borrowing and full utilization of the Working Capital Fund, it was confirmed that the internal resources against which the Organization could borrow were sound. The use of the Working Capital Fund and level of internal borrowing is closely monitored in terms of regular budget implementation. The Committee noted that since the beginning of 2003, the Organization had received further payments of assessed contributions and that the level of borrowing is expected to fall during the current year.

5. With regard to the increased level of long-term arrears of assessed contributions, the Committee noted that some Member States had encountered difficulties in paying their assessed contributions, but that support mechanisms were available. The new Financial Regulations make it easier for Member States to pay their assessments in local currency, subject to specific approval on a case-by-case by the Director-General which takes into account the ability of the Organization to use the local currency in a timely manner. Member States may enter into special arrangements for the settlement of their arrears.

RECOMMENDATION TO THE HEALTH ASSEMBLY

6. The Committee, after examination of the interim financial report on behalf of the Executive Board recommends to the Fifty-sixth World Health Assembly adoption of the following resolution:

The Fifty-sixth World Health Assembly,

Having examined the unaudited interim financial report for the year 2002 of the financial period 2002-2003;¹

Having noted the first report of the Administration, Budget and Finance Committee of the Executive Board to the Fifty-sixth World Health Assembly,²

ACCEPTS the Director-General's unaudited interim financial report for the year 2002.

¹ Documents A56/28 and A56/28 Add.1.

² Document A56/47.

ANNEX

LIST OF PARTICIPANTS

Equatorial Guinea

Dr S. Abia Nseng (Member)

Jordan

Dr A. As'ad (Alternate to Dr W. Al-Maani)

Mr M. Qasem (Adviser)

Dr Y. Halasa (Adviser)

Maldives

Dr A.A. Yoosuf (Member) (Chairman)

United Kingdom of Great Britain and Northern Ireland

Ms H. Nellthorp (Alternate to Sir Liam Donaldson)

United States of America

Mr C. Stonecipher (Alternate to Dr W. Steiger)

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