



# World Health Organization

**FIFTY-THIRD WORLD HEALTH ASSEMBLY**

Provisional agenda item 14.1

A53/17\*  
31 March 2000

## **Financial Report and Audited Financial Statements for the period 1 January 1998 – 31 December 1999**

and

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

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\*Information on income received and expenditure incurred during 1998-1999 under extrabudgetary sources of funds is contained in the Annex (document A53/17 Add.1), which accompanies and forms part of the Financial Report for the biennium.

# Financial Report and Audited Financial Statements for the Financial Period 1 January 1998 – 31 December 1999

and  
Report of the External Auditor to the World Health Assembly

## CONTENTS

<b>DIRECTOR-GENERAL'S REPORT</b> .....	4
<b>AUDITED FINANCIAL STATEMENTS AND SCHEDULES AND NOTES TO THE ACCOUNTS</b> .....	6
Certification of Financial Statements .....	7
Letter of transmittal .....	8
Opinion of the External Auditor.....	9
Statement of Objectives and Activities and accounting policies.....	10
Statement I: Consolidated statement of income and expenditure and changes in fund balances - all sources of funds for the financial period 1998-1999.....	12
Statement I.1: Consolidated statement of income and expenditure and changes in fund balances - other WHO funds .....	14
Statement I.2: Consolidated statement of income and expenditure and changes in fund balances - trust funds – inter-organization arrangements .....	16
Statement I.3: Consolidated statement of income and expenditure and changes in fund balances - trust funds – WHO programme activities.....	18
Statement I.4: Consolidated statement of income and expenditure and changes in fund balances - other trust funds and associated entities .....	20
Statement I, Annex 1 Transfers between funds .....	22
Annex 2 Eliminations .....	25
Statement II: Statement of assets, liabilities and fund balances as at 31 December 1999 .....	26
Statement III: Statement of cash flow for the financial period 1998-1999 .....	29
Statement IV: Statement of Appropriations for the Financial Period 1998-1999 .....	30
Notes to the Accounts .....	32
Schedule 1(a): Cash, deposits and securities.....	50
Schedule 1(b): Cash, deposits and securities by source of funds .....	51
Schedule 2: Income and obligations for the effective working regular budget for 1998-1999.....	52
Schedule 3: Assessed contributions – 1998-1999 and prior financial periods.....	53
Schedule 4: Working Capital Fund and internal borrowing .....	59
Schedule 5: Casual Income Account .....	60
Schedule 6: Voluntary Fund for Health Promotion .....	63
Schedule 7: Special Account for Servicing Costs.....	64
Schedule 8: Real Estate Fund .....	66
Schedule 9: Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training .....	68

Schedule 10:	Terminal Payments Account.....	69
Schedule 11:	Supply Services Funds (Trust Funds) .....	70
Schedule 12:	Special Account for the WHO Renewal Fund .....	72
<b>FINANCIAL IMPLEMENTATION OF WHO'S PROGRAMME FOR 1998-1999.....</b>		<b>73</b>
Table I:	International health programme: expenditure by sources of funds .....	74
Table II:	Effective working regular budget, sources of financing and financial outcome .....	75
Table III:	Financial implementation by appropriation section, programme and sources of funds for 1998-1999.....	76
Table IV:	Operation of the exchange rate facility: transfers from and transfers to casual income resulting from the effects of currency exchange rate fluctuations in 1998-1999 .....	82
Table V:	Financial implementation by appropriation section, region and sources of funds for 1998-1999.....	84
Table VI:	Financial implementation by programme: 1998-1999 regular budget – regions and global and interregional activities .....	86
Table VII:	Financial implementation by category of expenditure and sources of funds for 1998-1999 .....	92
Table VIII:	Financial implementation of Director-General's and Regional Directors' Development Programme for 1998-1999 .....	93
<b>GLOSSARY OF BUDGETARY AND FINANCIAL TERMS .....</b>		<b>99</b>
* * * * *		
<b>REPORT OF THE EXTERNAL AUDITOR TO THE WORLD HEALTH ASSEMBLY.....</b>		<b>101</b>

## Director-General's Report

I am pleased, as Director-General, to present the Financial Report of WHO for the period 1998-1999, which provides an initial response to the Health Assembly's request for improved transparency and accountability.

The Report shows:

- a significant increase in financial resources for health flowing through WHO;
- a static regular budget, although receipt of 85% of assessed contributions was the highest rate since 1985;
- a very significant and encouraging increase in extrabudgetary resources – we are working to ensure this trend will continue in 2000-2001.

The Financial Report for 1998-1999 has to reflect implementation of the Programme budget for the financial period 1998-1999 in accordance with the structure of that budget, adopted in 1997. The Report for the next biennium will follow the structure of the Programme budget 2000-2001, adopted in 1999, with a new strategic focus, mission and objectives to achieve the goals of WHO.

Since I took office in July 1998, a process of change has begun. In May 1999 the Health Assembly called for further improvement in transparency, accountability and effectiveness of the financial system of WHO in accordance with best management practice. Proposed revised Financial Regulations will be considered by the Health Assembly in May 2000, the Financial Rules will be considered by the Executive Board in January 2001. Work on improving the transparency of our financial framework and management will continue throughout the biennium.

Among changes already evident are:

- revision of the presentation of this Report, for example, of the Casual Income Account;
- reallocation of over US\$ 6 million of the regular budget from administration to priority health areas;
- modernization of the financial structure of the Voluntary Fund for Health Promotion in order to increase transparency and support accountability and programme implementation. In January 2000 I reported to the Executive Board on the changes that will apply as from the 2000-2001 biennium. These changes have been communicated to donors since the Fund has now been fully restructured;
- establishment in July 1998 of the WHO Renewal Fund in order to finance specific initiatives for change and reform, directed towards a more unified, effective and responsive Organization. Support of the fund by donors is very much appreciated. Investment of US\$ 1.8 million in our global communications network is already paying dividends in terms of increased efficiency and our ability to work as "one WHO";
- significant investment in efficiency and priority setting through a programme of mutually agreed separations in 1999. As a result of the separation agreements, the Organization will be able to redirect approximately US\$ 22.5 million to priority areas in 2000-2001. The costs, around US\$ 18 million, are to be financed from the Terminal Payments Account. This cost is not a drain on the regular budget for either 1998-1999 or 2000-2001. The remaining balance of the Terminal Payments Account will be adequate to meet future liabilities to staff that leave in the normal course of events.

Despite the increase in collection of assessed contributions I continue to be concerned about unpaid contributions. It is important that all Member States pay in full and on time so that the regular budget may be fully implemented. In 1998-1999 US\$ 25 million of the regular budget could not be implemented because prospects for receipt of these funds were uncertain.

I am pleased to report that since initiatives had been taken as early as 1992 to address the “millennium bug”, we were able to enter 2000 with our financial and related systems fully year-2000 compliant and operational.

The financial outcome for 1998-1999 has been satisfactory, and I look forward to reporting further developments and improvements in the future. I would also like to express my appreciation to all staff for their contribution to this financial outcome.



Gro Harlem Brundtland, MD, MPH  
Director-General

Geneva, 28 March 2000

### ***Financial highlights***

#### ***Income***

- up 13% to US\$ 2.2 billion; US\$ 1.8 billion for WHO programme activities

#### ***Expenditure***

- up 11% to US\$ 2.0 billion; US\$ 1.7 billion for WHO programme activities

#### ***Regular budget*** (assessed contributions): no increase

- effective working budget US\$ 838 million
- unpaid assessments US\$ 165 million (US\$ 71 million for earlier financial periods)
- shortfall in payments covered in part by Working Capital Fund and internal borrowing

#### ***Extrabudgetary resources*** (voluntary contributions): up 42% to US\$ 936 million, including

- Voluntary Fund for Health Promotion up 44% to US\$ 650 million
- United Nations programmes and funds up 32% to US\$ 90 million
- trust funds up 11% to US\$ 191 million

#### ***Liquidity*** as at 31 December 1999:

- US\$ 15 million cash committed for the regular budget for 1998-1999
- US\$ 42 million advance payments of assessed contributions for 2000-2001
- significant increase in funds held for the Voluntary Fund for Health Promotion, UNAIDS and Staff Health Insurance Fund, which are not available for regular budget purposes
- cash, deposits and securities increased to US\$ 1.1 billion.

## **Audited Financial Statements and Schedules and Notes to the Accounts**

This part of the Financial Report presents the overall financial position of the Organization at 31 December 1999. The relevant statements and supporting schedules have been prepared in compliance with the requirements of the Financial Regulations and the United Nations System Accounting Standards. The schedules provide background details and explanations in support of individual funds and special accounts administered by the Organization for the biennial financial period 1 January 1998 - 31 December 1999. Where appropriate, comparative figures are provided in respect of the previous biennium. The financial statements and schedules are preceded by the certification of financial statements, the opinion of the External Auditor, Statement of Objectives and Activities and Accounting Policies and are supported by Notes to the Accounts which are set out on pages 32 to 48.

## Certification of Financial Statements

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

Hilary F. Wild  
Director,  
Department of Financial Services



Gro Harlem Brundtland, MD, MPH  
Director-General



28 March 2000

29 March 2000

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

Dear Sir

**LETTER OF TRANSMITTAL**

I have the honour to present to the Fifty-third World Health Assembly my Report and Opinion on the Financial Statements of the World Health Organization for the financial period 1 January 1998 to 31 December 1999.

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

Yours sincerely

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

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



## Opinion of the External Auditor

To the World Health Assembly

We have audited the accompanying financial statements, comprising Statements I to IV, Schedules 1 to 12 and the supporting Notes of the World Health Organization for the financial period ended 31 December 1999. These financial statements are the responsibility of the Director-General. My responsibility is to express an opinion on these financial statements based on our audit.

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

In my opinion, these financial statements present fairly, in all respects, the financial position of the World Health Organization as at 31 December 1999 and the results of operations and cash flows for the period then ended in accordance with the stated accounting policies set out in the Statement of Accounting Policies, which were applied on a basis consistent with that of the preceding financial period.

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

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



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

Pretoria, Republic of South Africa  
29 March 2000

## **Financial Statements and Schedules for the period 1 January 1998 – 31 December 1999**

### **I. Statement of Objectives and Activities**

1. The objective of the World Health Organization is the attainment by all peoples of the highest possible level of health. The 1998-1999 programme budget, adopted in 1997, was developed within the context of this objective and the policy for health for all. It was drawn up with special emphasis on the provision of primary health care, universally accessible to the people by means acceptable to them, with their full participation and at a cost which communities and countries could afford. Nutrition, safe water supply, communicable disease control and research in applying existing knowledge to the health problems of developing countries were identified as priority areas for action. After the Director-General took office in July 1998, some adjustments were made to the allocations, most notably a shift of resources from administrative to technical health areas.

2. The programme budget for 2000-2001 proposed by the new administration and adopted by the Health Assembly in May 1999 contains a new strategic focus, missions and goals to achieve the objectives of the Organization.

### **II. Statement of Accounting Policies**

#### ***General Accounting Policies***

3. The accounting policies and financial reporting practices applied are based upon the WHO Financial Regulations and Financial Rules. In addition, as authorized by the Forty-ninth World Health Assembly, the financial statements, accompanying notes and schedules are in accordance with the United Nations System Accounting Standards (UNAS) and drawn up in the formats stated therein. The opening balances on 1 January 1996 contained in the comparative figures for 1996-1997 have not been adjusted to conform with those standards since 1996-1997 was the first financial period in which the UNAS standards had been applied in WHO.

4. As a consequence of the application in 1996-1997 of the United Nations System Accounting Standards, changes took place in WHO accounting policies and procedures and in the presentation of the financial statements. All such changes and their financial effects were disclosed. The major change was the adoption of accrual accounting for expenditures under all funds, whereas previous to 1996-1997 some funds were reported on a cash basis (Note 17).

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

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

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

6. 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.

7. Assets and liabilities held in other currencies at the end of the financial period are translated into US dollars at the United Nations accounting rates of exchange prevailing for the month of December of the closing year. However, when significant changes occur in the relationship between currencies at the end of a financial period, the exchange rates used to translate into US dollars funds held in such currencies as at 31 December are those in force on 1 January of the subsequent year. Since in fact there was no such substantial change in exchange rates on 1 January 2000, the rates of exchange used were in all cases those prevailing for the month of December 1999.

***Accounting for exchange differential***

8. Exchange rate gains and losses on the purchase and sale of currencies, in addition to the exchange differential arising from the revaluation of cash book balances, are adjusted against the funds and accounts which participate in the apportionment of interest under the WHO general investment plan (see Note 11). All other exchange differences are accounted for within casual income.

*Statement I*

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
All Sources of Funds  
for the Financial Period 1998-1999**

*(expressed in US dollars)*

	Reference	Regular Budget & Working Capital Fund (Schedule 2,3,4; Note 40)	Other WHO Funds (Statement I.1)	Voluntary Fund for Health Promotion (Schedule 6)	Trust Funds (Statement I.2, I.3, I.4)
<b>INCOME:</b>					
<i>Assessed contributions:</i>					
- For the effective working budget (1998-1999)	Notes 1,2	827 137 000	10 365 000		
- New and formerly inactive Members	Note 3		48 280		
<i>Total assessed contributions</i>		827 137 000	10 413 280		
<i>Voluntary contributions:</i>					
- WHO programme activities	Notes 4,5		6 059 352	627 544 745	186 115 098
- Non-WHO programme activities	Note 6				207 995 540
<i>Other income:</i>					
- Revenue-producing activities	Note 7		8 800 874		171 254
- Funds under inter-organization arrangements	Note 8				90 280 069
- Allocations from other funds					
- Income from services rendered	Notes 9,10		81 024 150		
- Interest income : received and apportioned	Notes 11,12		21 921 452	22 884 550	22 581 031
- Interest income : accrued and unapportioned	Note 13				11 494 034
- Exchange rate facility	Note 14	(5 232 900)	5 232 900		
- Other	Note 15		340 304		105 799 327
<i>Total income</i>		821 904 100	133 792 312	650 429 295	624 436 353
<b>EXPENDITURE:</b>					
International health programme	Notes 16-19	812 096 069	77 369 868	562 231 351	276 650 186
Other purposes	Note 20		31 628 271		282 830 165
<i>Total expenditure</i>		812 096 069	108 998 139	562 231 351	559 480 351
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
		9 808 031	24 794 173	88 197 944	64 956 002
Provision for delays in the collection of assessed contributions	Note 26	(93 817 232)			
Refund of advances to the Working Capital Fund					
Refund to Members of assessed contributions for current biennium	Note 27	(16 256 760)			
Payment of assessed contributions of prior years	Note 28	98 327 636	10 298 723		
Savings on unliquidated obligations	Note 29		17 732 008		9 047 182
Increase/(decrease) in Capital Assets					
Transfers between funds	Annex 1	31 773 760	(31 773 760)	350 000	(350 000)
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement III	29 835 435	21 051 144	88 547 944	73 653 184
<b>FUND BALANCES - 1 JANUARY 1998</b>	Statement II	(92 946 123)	198 919 893	186 542 556	262 499 655
<b>FUND BALANCES - 31 DECEMBER 1999</b>	Statement II	(63 110 688)	219 971 037	275 090 500	336 152 839

**Statement I** (continued)

Equity in Capital Assets (Note 44)	Sub-Totals	Eliminations (Statement I, Annex 2; Note 30)	1998-1999	Totals 1996-1997 (re-stated, Note 15)		
					<b>INCOME:</b>	
					<i>Assessed contributions:</i>	
	837 502 000		<b>837 502 000</b>	838 552 000	- For the effective working budget (1998-1999)	
	48 280		<b>48 280</b>	176 358	- New and formerly inactive Members	
	<b>837 550 280</b>		<b>837 550 280</b>	838 728 358	<i>Total assessed contributions</i>	
					<i>Voluntary contributions:</i>	
	819 719 195	(16 307 131)	<b>803 412 064</b>	581 524 374	- WHO programme activities	
	207 995 540		<b>207 995 540</b>	182 982 082	- Non-WHO programme activities	
					<i>Other income:</i>	
	8 972 128		<b>8 972 128</b>	10 031 618	- Revenue-producing activities	
	90 280 069		<b>90 280 069</b>	68 390 422	- Funds under inter-organization arrangements	
				59 576	- Allocations from other funds	
	81 024 150	(62 635 685)	<b>18 388 465</b>	19 536 859	- Income from services rendered	
	67 387 033		<b>67 387 033</b>	64 631 450	- Interest income : received and apportioned	
	11 494 034		<b>11 494 034</b>	6 329 233	- Interest income : accrued and unapportioned	
					- Exchange rate facility	
	106 139 631		<b>106 139 631</b>	118 455 201	- Other	
	<b>2 230 562 060</b>	<b>(78 942 816)</b>	<b>2 151 619 244</b>	1 890 669 173	<i>Total income</i>	
					<b>EXPENDITURE:</b>	
	1 728 347 474	(65 277 945)	<b>1 663 069 529</b>	1 470 601 014	International health programme	
	314 458 436		<b>314 458 436</b>	315 158 405	Other purposes	
	<b>2 042 805 910</b>	<b>(65 277 945)</b>	<b>1 977 527 965</b>	1 785 759 419	<i>Total expenditure</i>	
					<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>	
	187 756 150	(13 664 871)	<b>174 091 279</b>	104 909 754		
					Provision for delays in the collection of assessed contributions	
	(93 817 232)		<b>(93 817 232)</b>	(126 028 910)	Refund of advances to the Working Capital Fund	
				(5 139 390)	Refund to Members of assessed contributions for current biennium	
	(16 256 760)		<b>(16 256 760)</b>		Payment of assessed contributions of prior years	
	108 626 359		<b>108 626 359</b>	189 141 425	Savings on unliquidated obligations	
	26 779 190		<b>26 779 190</b>	19 728 996	Increase/(decrease) in Capital Assets	
9 618 284	9 618 284		<b>9 618 284</b>		Transfers between funds	
	<b>9 618 284</b>	<b>222 705 991</b>	<b>(13 664 871)</b>	<b>209 041 120</b>	<b>182 611 875</b>	<b>TOTAL CHANGES IN FUND BALANCES</b>
	55 169 240	610 185 221	<b>610 185 221</b>	427 573 346	<b>FUND BALANCES - 1 JANUARY 1998</b>	
<b>64 787 524</b>	<b>832 891 212</b>	<b>(13 664 871)</b>	<b>819 226 341</b>	<b>610 185 221</b>	<b>FUND BALANCES - 31 DECEMBER 1999</b>	

**Statement I.1**

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Other WHO Funds  
for the Financial Period 1998-1999**

*(expressed in US dollars)*

	Reference	Casual Income Revenues (Schedule 5)	Appropriated for Priority Programmes	Holding Account (Statement I, Annex 1; Note 41)	Real Estate Fund (Schedule 8)	Revolving Fund for Teaching and Laboratory Equipment (Schedule 9)	Revolving Sales Fund (Note 42)
<b>INCOME:</b>							
<i>Assessed contributions:</i>							
- For the effective working budget (1998-1999)	Note 2						
- New and formerly inactive Members	Note 3	48 280					
<i>Total assessed contributions</i>		48 280					
<i>Voluntary contributions:</i>							
- WHO programme activities	Notes 4,5						
<i>Other income:</i>							
- Revenue-producing activities	Note 7				177 662		7 807 551
- Allocations from other funds		(10 000 000)	10 000 000				
- Income from services rendered	Notes 9,10						
- Interest income	Notes 11,12	7 676 300			1 045 370		
- Exchange rate facility	Note 14	5 232 900					
- Other	Note 15	340 304					
<i>Total income</i>		3 297 784	10 000 000		1 223 032		7 807 551
<b>EXPENDITURE:</b>							
International health programme	Notes 16-19		12 374 449				1 003 904
Other purposes	Note 20				10 626 429		
<i>Total expenditure</i>			12 374 449		10 626 429		1 003 904
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>							
		3 297 784	(2 374 449)		(9 403 397)		6 803 647
Payment of assessed contributions of prior years	Note 28	10 298 723					
Savings on unliquidated obligations	Note 29	17 732 008					
Transfers between funds	Annex 1	(36 651 406)		9 503 914	(2 049 000)		(6 803 647)
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I	(5 322 891)	(2 374 449)	9 503 914	(11 452 397)		
<b>FUND BALANCES - 1 JANUARY 1998</b>	Statement II	30 148 404	6 221 897	15 517 000	13 184 075	400 000	500 000
<b>FUND BALANCES - 31 DECEMBER 1999</b>	Statement II	24 825 513	3 847 448	25 020 914	1 731 678	400 000	500 000

**Statement I.1** (continued)

Special Account for Concessions at Headquarters (Note 43)	Special Account for the WHO Renewal Fund (Schedule 12)	Special Account for Servicing Costs (Schedule 7)	Tax Equalization Fund (Note 2)	Terminal Payments Account (Schedule 10)	Totals		
					1998-1999	1996-1997	
<b>INCOME:</b>							
<i>Assessed contributions:</i>							
			10 365 000		<b>10 365 000</b>	10 445 000	- For the effective working budget (1998-1999)
					<b>48 280</b>	176 358	- New and formerly inactive Members
			10 365 000		<b>10 413 280</b>	10 621 358	<i>Total assessed contributions</i>
<i>Voluntary contributions:</i>							
	6 059 352				<b>6 059 352</b>		- WHO programme activities
<i>Other income:</i>							
815 661					<b>8 800 874</b>	9 930 063	- Revenue-producing activities
						(14 547 000)	- Allocations from other funds
		62 635 685		18 388 465	<b>81 024 150</b>	74 328 414	- Income from services rendered
275 210	137 960	8 151 980		4 634 632	<b>21 921 452</b>	19 786 619	- Interest income
					<b>5 232 900</b>	23 266 100	- Exchange rate facility
					<b>340 304</b>	2 390 572	- Other
<b>1 090 871</b>	<b>6 197 312</b>	<b>70 787 665</b>	<b>10 365 000</b>	<b>23 023 097</b>	<b>133 792 312</b>	<b>125 776 126</b>	<i>Total income</i>
<b>EXPENDITURE:</b>							
	4 287 864	59 703 651			<b>77 369 868</b>	58 841 208	International health programme
428 215			5 683 770	14 889 857	<b>31 628 271</b>	37 692 925	Other purposes
<b>428 215</b>	<b>4 287 864</b>	<b>59 703 651</b>	<b>5 683 770</b>	<b>14 889 857</b>	<b>108 998 139</b>	<b>96 534 133</b>	<i>Total expenditure</i>
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>							
662 656	1 909 448	11 084 014	4 681 230	8 133 240	<b>24 794 173</b>	29 241 993	
					<b>10 298 723</b>	6 222 171	Payment of assessed contributions of prior years
					<b>17 732 008</b>	15 702 049	Savings on unliquidated obligations
		4 226 379			<b>(31 773 760)</b>	(5 100 000)	Transfers between funds
662 656	1 909 448	15 310 393	4 681 230	8 133 240	<b>21 051 144</b>	46 066 213	<b>TOTAL CHANGES IN FUND BALANCES</b>
2 780 373		89 446 873	1 217 210	39 504 061	<b>198 919 893</b>	152 853 680	<b>FUND BALANCES - 1 JANUARY 1998</b>
<b>3 443 029</b>	<b>1 909 448</b>	<b>104 757 266</b>	<b>5 898 440</b>	<b>47 637 301</b>	<b>219 971 037</b>	<b>198 919 893</b>	<b>FUND BALANCES - 31 DECEMBER 1999</b>

*Statement I.2*

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Trust Funds – Inter-organization Arrangements  
for the Financial Period 1998-1999**

*(expressed in US dollars)*

	Reference	Technical Cooperation			
		UN Development Programme	UN Population Fund	UN Environment Programme	UN Drug Control Programme
<b>INCOME:</b>					
<i>Other income:</i>					
- Funds under inter-organization arrangements	Note 8	22 072 825	22 050 000	596 000	488 100
- Interest income	Note 11				
- Other		67 131	(121 543)		(279)
<i>Total income</i>		22 139 956	21 928 457	596 000	487 821
<b>EXPENDITURE:</b>					
International health programme	Note 16-19	21 389 830	21 040 088	508 373	726 154
<i>Total expenditure</i>		21 389 830	21 040 088	508 373	726 154
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
		750 126	888 369	87 627	(238 333)
Savings on unliquidated obligations	Note 29	99 307	321 371	2 331	(2 142)
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I	849 433	1 209 740	89 958	(240 475)
<b>FUND BALANCES - 1 JANUARY 1998</b>	Statement II	(2 118 330)	(1 440 506)	(110 579)	69 671
<b>FUND BALANCES - 31 DECEMBER 1999</b>	Statement II	(1 268 897)	(230 766)	(20 621)	(170 804)



*Statement I.2* (continued)

Technical Cooperation	Supply Services Other UN Organizations (Schedule 11)	Totals Inter-organization arrangements		
Other UN Funds		1998-1999	1996-1997	
<b>INCOME:</b>				
				<i>Other income:</i>
3 320 103	41 753 041	<b>90 280 069</b>	68 390 422	- Funds under inter-organization arrangements
11 230		<b>11 230</b>	37 180	- Interest income
		<b>(54 691)</b>		- Other
3 331 333	41 753 041	<b>90 236 608</b>	68 427 602	<i>Total income</i>
<b>EXPENDITURE:</b>				
3 220 465	40 070 949	<b>86 955 859</b>	69 057 252	International health programme
3 220 465	40 070 949	<b>86 955 859</b>	69 057 252	<i>Total expenditure</i>
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>				
110 868	1 682 092	<b>3 280 749</b>	(629 650)	
		<b>420 867</b>	718 805	Savings on unliquidated obligations
110 868	1 682 092	<b>3 701 616</b>	89 155	<b>TOTAL CHANGES IN FUND BALANCES</b>
867 181	(888 393)	<b>(3 620 956)</b>	(3 710 111)	<b>FUND BALANCES - 1 JANUARY 1998</b>
978 049	793 699	<b>80 660</b>	(3 620 956)	<b>FUND BALANCES - 31 DECEMBER 1999</b>

*Statement I.3*

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Trust Funds – WHO Programme Activities  
for the Financial Period 1998-1999**

*(expressed in US dollars)*

	Reference	Technical Cooperation				Trust Fund for the Special Programme for Research and Training in Tropical Diseases
		Global Programme on AIDS	Onchocerciasis Control Programme	African Programme for Onchocerciasis Control	Sasakawa Health Trust Fund	
<b>INCOME:</b>						
<i>Voluntary contributions:</i>						
- WHO programme activities	Notes 4,5		31 769 242	13 520 114	8 000 000	65 665 649
<i>Other income:</i>						
- Revenue-producing activities			171 254			
- Allocations from other funds						
- Interest income	Notes 11,12	742 740	(28 270)	617 520	957 430	1 679 200
<i>Total income</i>		742 740	31 912 226	14 137 634	8 957 430	67 344 849
<b>EXPENDITURE:</b>						
International health programme	Notes 16-19	5 349 628	32 232 148	18 619 715	10 675 816	61 792 095
<i>Total expenditure</i>		5 349 628	32 232 148	18 619 715	10 675 816	61 792 095
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>		(4 606 888)	(319 922)	(4 482 081)	(1 718 386)	5 552 754
Savings on unliquidated obligations	Note 29		1 407 753	9 411	240 370	1 910 686
Transfers between funds	Annex 1	(5 000 000)			(500 000)	150 000
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I	(9 606 888)	1 087 831	(4 472 670)	(1 978 016)	7 613 440
<b>FUND BALANCES - 1 JANUARY 1998</b>	Statement II	12 885 937	(2 647 115)	138 046	9 804 189	(124 587)
<b>FUND BALANCES - 31 DECEMBER 1999</b>	Statement II	3 279 049	(1 559 284)	(4 334 624)	7 826 173	7 488 853

**Statement I.3** (continued)

<u>Technical Cooperation</u>		<u>Supply Services</u>			
Associate Professional Officers	Other Technical Cooperation funds	National Health Services and Institutions (Schedule 9, 11)	Totals Technical Cooperation and Supply Services		
			1998-1999	1996-1997	
<b>INCOME:</b>					
					<i>Voluntary contributions:</i>
9 261 873	47 338 616	10 559 604	<b>186 115 098</b>	166 197 307	- WHO programme activities
			<b>171 254</b>	101 555	<i>Other income:</i>
				59 576	- Revenue-producing activities
107 000	183 731		<b>4 259 351</b>	5 524 690	- Allocations from other funds
					- Interest income
<b>9 368 873</b>	<b>47 522 347</b>	<b>10 559 604</b>	<b>190 545 703</b>	<b>171 883 128</b>	<i>Total income</i>
<b>EXPENDITURE:</b>					
8 838 657	41 588 761	10 597 507	<b>189 694 327</b>	177 517 541	International health programme
<b>8 838 657</b>	<b>41 588 761</b>	<b>10 597 507</b>	<b>189 694 327</b>	<b>177 517 541</b>	<i>Total expenditure</i>
530 216	5 933 586	(37 903)	<b>851 376</b>	(5 634 413)	<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>
			<b>3 568 220</b>	3 308 142	Savings on unliquidated obligations
	353 796	(353 796)	<b>(5 350 000)</b>	(39 594 334)	Transfers between funds
530 216	6 287 382	(391 699)	<b>(930 404)</b>	(41 920 605)	<b>TOTAL CHANGES IN FUND BALANCES</b>
2 176 531	13 642 553	3 283 881	<b>39 159 435</b>	81 080 040	<b>FUND BALANCES - 1 JANUARY 1998</b>
<b>2 706 747</b>	<b>19 929 935</b>	<b>2 892 182</b>	<b>38 229 031</b>	<b>39 159 435</b>	<b>FUND BALANCES - 31 DECEMBER 1999</b>

*Statement I.4*

**Consolidated Statement of Income and Expenditure and Changes in Fund Balances  
Other Trust Funds and Associated Entities  
for the Financial Period 1998-1999**

*(expressed in US dollars)*

	Reference	Trust Fund Joint United Nations Programme on HIV/AIDS (UNAIDS) (Notes 20,39)	International Agency for Research on Cancer (Note 20)	International Computing Centre (Note 20)	Staff Health Insurance (Notes 20,21)
<b>INCOME:</b>					
<i>Voluntary contributions:</i>					
- Non-WHO programme activities		144 781 928	52 711 409		
<i>Other income:</i>					
- Interest income: received and apportioned	Notes 11,12	7 969 060			16 218 879
- Interest income: accrued and unapportioned					
- Other		(1 169)		40 714 264	65 140 923
<i>Total income</i>		152 749 819	52 711 409	40 714 264	81 359 802
<b>EXPENDITURE:</b>					
Other purposes		135 124 509	49 948 411	38 570 703	48 518 697
<i>Total expenditure</i>		135 124 509	49 948 411	38 570 703	48 518 697
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
		17 625 310	2 762 998	2 143 561	32 841 105
Savings on unliquidated obligations	Note 29	5 058 095			
Transfers between funds	Annex 1	5 000 000			
<b>TOTAL CHANGES IN FUND BALANCES</b>	Statement I	27 683 405	2 762 998	2 143 561	32 841 105
<b>FUND BALANCES - 1 JANUARY 1998</b>	Statement II	48 375 331	12 023 178	(774 474)	155 118 463
<b>FUND BALANCES - 31 DECEMBER 1999</b>	Statement II	76 058 736	14 786 176	1 369 087	187 959 568

**Statement I.4** (continued)

Other funds (Notes 22-24)	Foundations (Notes 20, 25)	Interest Accrued- Unapportioned (Note 13)	Totals Trust Funds Non-WHO programme activities		
			1998-1999	1996-1997 (re-stated, note 15)	
<b>INCOME:</b>					
<i>Voluntary contributions:</i>					
10 437 758	64 445		<b>207 995 540</b>	182 982 082	- Non-WHO programme activities
<i>Other income:</i>					
235 000	216 744	(6 329 233)	<b>18 310 450</b>	19 254 811	- Interest income: received and apportioned
		11 494 034	<b>11 494 034</b>	6 329 233	- Interest income: accrued and unapportioned
			<b>105 854 018</b>	116 169 219	- Other
10 672 758	281 189	5 164 801	<b>343 654 042</b>	324 735 345	<i>Total income</i>
<b>EXPENDITURE:</b>					
10 564 200	103 645		<b>282 830 165</b>	277 517 775	Other purposes
10 564 200	103 645		<b>282 830 165</b>	277 517 775	<i>Total expenditure</i>
<b>EXCESS(SHORTFALL) OF INCOME OVER EXPENDITURE</b>					
108 558	177 544	5 164 801	<b>60 823 877</b>	47 217 570	
			<b>5 058 095</b>		Savings on unliquidated obligations
			<b>5 000 000</b>	36 970 199	Transfers between funds
108 558	177 544	5 164 801	<b>70 881 972</b>	84 187 769	<b>TOTAL CHANGES IN FUND BALANCES</b>
4 060 175	1 829 270	6 329 233	<b>226 961 176</b>	142 773 407	<b>FUND BALANCES - 1 JANUARY 1998</b>
4 168 733	2 006 814	11 494 034	<b>297 843 148</b>	226 961 176	<b>FUND BALANCES - 31 DECEMBER 1999</b>

*Statement I, Annex 1*

**Transfers Between Funds**  
**Inter-fund transfers as detailed in the following table, were made during 1998-1999**  
*(expressed in US dollars)*

Reference	Regular Budget	Casual Income	Holding Account	Real Estate Fund	Revolving Sales Fund	Special Account for Servicing Costs	
Appropriated for the effective working budget, 1998-1999 (Resolution WHA 50.25)	Schedule 5	(31 773 760)	16 256 760	15 517 000			
Appropriated for Real Estate Fund (Resolution WHA 52.15)	Schedules 5,8		(2 049 000)	2 049 000			
Appropriated for the effective working budget, 2000-2001 (Resolution WHA 52.20)	Schedule 5		23 320 914	(25 020 914)		1 700 000	
To cover costs of production and sales promotion of WHO publications, 1998-1999 (resolution WHA22.8)	Schedule 7				5 926 379	(5 926 379)	
Surplus funds, 1998-1999 to casual income (resolution WHA22.8)	Schedule 5		(877 268)		877 268		
Transfer of balances in Global Programme on Aids							
Other programme transfers							
<b>Total</b>		<b>(31 773 760)</b>	<b>36 651 406</b>	<b>(9 503 914)</b>	<b>2 049 000</b>	<b>6 803 647</b>	<b>(4 226 379)</b>

These transfers between Funds are necessary to reflect decisions by the Health Assembly and other Fund transfers and appropriations in accordance with established accounting practices.

*Statement I, Annex I* (continued)

Trust Fund for the Global Programme on AIDS	Voluntary Fund for Health Promotion	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	UNAIDS	Other Technical Cooperation Funds	National Health Services and Institutions	Sasakawa Health Trust Fund	
							Appropriated for the effective working budget, 1998-1999 (Resolution WHA 50.25)
							Appropriated for Real Estate Fund (Resolution WHA 52.15)
							Appropriated for the effective working budget, 2000-2001 (Resolution WHA 52.20)
							To cover costs of production and sales promotion of WHO publications, 1998-1999 (resolution WHA22.8)
							Surplus funds, 1998-1999 to casual income (resolution WHA22.8)
5 000 000			(5 000 000)				Transfer of balances in Global Programme on Aids
	(350 000)	(150 000)		(353 796)	353 796	500 000	Other programme transfers
<u>5 000 000</u>	<u>(350 000)</u>	<u>(150 000)</u>	<u>(5 000 000)</u>	<u>(353 796)</u>	<u>353 796</u>	<u>500 000</u>	<u>Total</u>

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**Statement I, Annex 2**

**Eliminations (Note 30)**

(expressed in US dollars)

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

Originating Fund	Receiving Fund	Income	Expenditure
<i>Regular Budget</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	2 315 600	2 315 600
	Onchocerciasis Control Programme	500 000	500 000
	African Programme for Onchocerciasis Control	100 000	100 000
<i>United Nations Development Programme</i>	Voluntary Fund for Health Promotion	645 000	645 000
	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	1 500 000	1 500 000
	Onchocerciasis Control Programme	2 791 531	2 791 531
<i>United Nations Population Fund</i>	Voluntary Fund for Health Promotion	6 000 000	6 000 000
<i>African Programme for Onchocerciasis Control</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	1 980 000	1 980 000
<i>Onchocerciasis Control Programme</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	275 000	275 000
<i>Sasakawa Trust Fund</i>	Trust Fund for the Special Programme for Research and Training in Tropical Diseases	200 000	200 000
		<u>16 307 131</u>	<u>16 307 131</u>

These transfers are shown in the "Eliminations column" in Statement I as a reduction against income under voluntary contributions for WHO programme activities, with a corresponding reduction against expenditure under the heading, "International Health Programme".

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

<i>Income from services rendered</i>	Programme support costs received	62 635 685	
<i>International health programme</i>	Programme support costs charged against extra-budgetary funded activities		48 970 814
<b>Totals</b>		<u><u>78 942 816</u></u>	<u><u>65 277 945</u></u> <sup>a/</sup>

- a/ The difference between the income and expenditure eliminations of US\$ 13,664,871 arises out of timing differences and is included in the Special Account for Servicing Costs balance in Schedule 7. Programme support costs earned in a biennium are not available for expenditure until the following biennium.

**Statement II**

**Statement of Assets, Liabilities and Fund Balances as at 31 December 1999**

(expressed in US dollars)

		Reference	1999	1997
<b>ASSETS</b>				
<b>Cash</b>		Note 31		
At banks, in transit and in hand		Schedule 1(a);	52 613 523	35 627 034
<b>Deposits and securities</b>		Schedule 1(a)	998 663 672	738 385 743
<b>Accounts receivable</b>				
	<b>Prior</b>			
	<b>financial</b>			
	<b>periods</b>			
<b>Assessed contributions</b>	<b>1998-1999</b>			
Members' outstanding assessed contributions	93 817 232	Schedule 3	164 818 787	179 676 194
<b>Less:</b> Provision for delays in the collection of assessed contributions	<u>93 817 232</u>	Statement I	<u>164 818 787</u>	<u>179 676 194</u>
<i>Net assessed contributions</i>	<u>-</u>		<u>-</u>	<u>-</u>
<b>Sundry debtors</b>		Note 33	37 396 672	31 764 145
<b>Prepaid expenses</b>		Note 34	315 598	528 067
<b>Interest accrued and unapportioned</b>		Note 13	11 494 034	6 329 233
<b>Capital assets</b> (Real property)		Note 35		
<i>Land and buildings:</i>				
Headquarters			41 597 370	41 597 370
Africa			8 261 740	8 261 740
South-East Asia			1 483 295	1 487 947
Eastern Mediterranean			9 988 361	365 425
Western Pacific			<u>3 456 758</u>	<u>3 456 758</u>
<i>Total capital assets</i>			<u>64 787 524</u>	<u>55 169 240</u>
<b>TOTAL ASSETS</b>			<u><u>1 165 271 023</u></u>	<u><u>867 803 462</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Members' contributions received in advance</b>		Note 36	42 111 903	20 851 491
<b>Unliquidated obligations</b>		Note 37		
<i>WHO Programme Activities:</i>				
Regular budget			78 116 934	83 147 148
Other WHO funds			16 820 773	11 421 165
Voluntary Fund for Health Promotion			74 362 449	52 655 872
Inter-organization arrangements			15 115 042	6 777 611
Trust funds			<u>40 969 148</u>	<u>30 514 524</u>
<i>Total unliquidated obligations - WHO programme activities</i>			<u>225 384 346</u>	<u>184 516 320</u>
<i>Non-WHO Programme Activities:</i>				
Trust Fund for the Joint United Nations Programme on HIV/AIDS			28 083 734	33 612 529
International Computing Centre (ICC)			<u>3 331 510</u>	<u>1 607 587</u>
<i>Total unliquidated obligations</i>			<u>256 799 590</u>	<u>219 736 436</u>
<b>Accounts payable</b>		Note 38	<u>33 468 318</u>	<u>17 030 314</u>
<i>Total liabilities</i>			<u>332 379 811</u>	<u>257 618 241</u>

*Statement II* (continued)

<b>LIABILITIES AND FUND BALANCES</b> (continued)	<b>Reference</b>	<b>1999</b>	1997
<b>Trust funds</b>			
Technical cooperation and supply services funds	Statement I.2; I.3	<b>38 309 691</b>	35 538 479
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	Statement I.4	<b>76 058 736</b>	48 375 331
International Computing Centre (ICC)	Statement I.4	<b>1 369 087</b>	(774 474)
Foundations and other trust funds	Statement I.4	<b>208 921 291</b>	173 031 086
Interest accrued and unapportioned	Statement I.4	<b>11 494 034</b>	6 329 233
<i>Total trust funds</i>		<b>336 152 839</b>	262 499 655
<b>Voluntary Fund for Health Promotion</b>	Statement I	<b>275 090 500</b>	186 542 556
<b>Internal Borrowing</b>			
Advances secured against other WHO funds	Statement I	<b>(63 110 688)</b>	(92 946 123)
<b>Other WHO funds</b>			
Casual Income Account	Statement I.1	<b>28 672 961</b>	36 370 301
Holding Account	Statement I.1	<b>25 020 914</b>	15 517 000
Real Estate Fund	Statement I.1	<b>1 731 678</b>	13 184 075
Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training	Statement I.1	<b>400 000</b>	400 000
Revolving Sales Fund	Statement I.1	<b>500 000</b>	500 000
Special Account for Operation of Concessions at Headquarters	Statement I.1	<b>3 443 029</b>	2 780 373
Special Account for the WHO Renewal Fund	Statement I.1	<b>1 909 448</b>	
Special Account for Servicing Costs	Statement I.1	<b>104 757 266</b>	89 446 873
Tax Equalization Fund	Statement I.1	<b>5 898 440</b>	1 217 210
Terminal Payments Account	Statement I.1	<b>47 637 301</b>	39 504 061
<i>Total other WHO funds</i>		<b>219 971 037</b>	198 919 893
<b>Members' equity in capital assets (Real Property)</b>	Statement I	<b>64 787 524</b>	55 169 240
<i>Total fund balances</i>		<b>832 891 212</b>	610 185 221
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>1 165 271 023</b>	867 803 462

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*Statement III***Statement of Cash Flow  
for the Financial Period 1998-1999***(expressed in US dollars)*

	<b>1998-1999</b>	1996-1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total changes in fund balances (Statement I)	<b>209 041 120</b>	182 611 875
(Increase)/decrease in accounts receivable - sundry debtors	<b>(5 632 527)</b>	867 451
(Increase)/decrease in prepaid expenses	<b>212 469</b>	(1 376)
(Increase)/decrease in interest accrued and unapportioned	<b>(5 164 801)</b>	(6 329 233)
Increase/(decrease) in contributions received in advance	<b>21 260 412</b>	(5 400 227)
Increase/(decrease) in unliquidated obligations	<b>37 063 154</b>	101 995 275
Increase/(decrease) in accounts payable	<b>16 438 004</b>	(5 934 253)
Less: Interest income	<b>(67 387 033)</b>	(64 631 450)
Savings on liquidation of prior periods' obligations	<b>(26 779 190)</b>	(19 728 996)
Net eliminations of programme support costs (Statement I)	<b>13 664 871</b>	
<i>Net cash from operating activities</i>	<u><b>192 716 479</b></u>	<u>183 449 066</u>
<b>CASH FLOWS FROM INVESTING AND FINANCIAL ACTIVITIES</b>		
(Increase)/decrease in deposits and securities	<b>(260 277 929)</b>	(250 727 802)
Plus: Interest income	<u><b>67 387 033</b></u>	<u>64 631 450</u>
<i>Net cash from investing and financial activities</i>	<u><b>(192 890 896)</b></u>	<u>(186 096 352)</u>
<b>CASH FLOWS FROM OTHER SOURCES:</b>		
(Increase)/decrease in land and buildings	<b>(9 618 284)</b>	52 295
Savings on liquidation of prior periods' obligations	<u><b>26 779 190</b></u>	<u>19 728 996</u>
<i>Net cash from other sources</i>	<u><b>17 160 906</b></u>	<u>19 781 291</u>
<b>NET INCREASE IN CASH</b>	<u><b>16 986 489</b></u>	<u>17 134 005</u>
<b>CASH AT 1 JANUARY 1998 AND 1996</b>	<u><b>35 627 034</b></u>	<u>18 493 029</u>
<b>CASH AT 31 DECEMBER 1999 AND 1997</b>	<u><u><b>52 613 523</b></u></u>	<u><u>35 627 034</u></u>

*Statement IV*

**Statement of Appropriations for the Financial Period 1998-1999**

(expressed in US dollars)

Appropriation section	Amounts approved by resolution WHA50.25	Transfers between sections made by the Director-General (Notes 49, 50)	Transfers between sections as % of approved appropriations	Transfers from Director-General's and Regional Directors' Development programme	Total transfers effected	Exchange rate facility: net transfers to casual income (a) (resolution WHA50.25)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Governing bodies	19 281 800	(146 100)	(0.76)		(146 100)	9 300
2. Health policy and management Director-General's and Regional Directors' Development Programme	248 026 000 7 592 000	5 502 200	2.22	2 124 781 (5 930 600)	7 626 981 (5 930 600)	(1 474 400)
3. Health services development	170 423 800	(8 359 900)	(4.91)	991 441	(7 368 459)	(447 900)
4. Promotion and protection of health	133 492 100	(4 396 000)	(3.29)	770 216	(3 625 784)	(250 800)
5. Integrated control of disease	135 144 400	8 342 100	6.17	2 044 162	10 386 262	(146 200)
6. Administrative services	128 693 900	(942 300)	(0.73)		(942 300)	(2 922 900)
<b>EFFECTIVE WORKING BUDGET</b>	<b>842 654 000</b>					<b>(5 232 900)</b>
7. Transfer to Tax Equalization Fund	80 000 000					
<b>TOTAL</b>	<b>922 654 000</b>					<b>(5 232 900)</b>

(a) Effective appropriations for 1998-1999 (column 8) take into account the net transfers during the biennium to the Casual Income Account required to cover the effects of favourable United Nations/WHO accounting rates of exchange against the US dollar (column 7), in respect of the currencies of the countries of location of headquarters and the regional offices under the exchange rate facility in accordance with the Financial Regulation 4.6. The operation of the facility during 1998-1999 resulted in transfers to casual income of \$ 5 513 600, in respect of savings from more favourable rates of exchange. In addition, transfers from casual income were made in respect of charges from an unfavourable rate of exchange for one currency totalling \$ 280 700. This resulted in a net saving of \$ 5 232 900 during the biennium.

(b) Including \$ 2 315 600 transferred from the regular budget to the Trust Fund for the Special Programme for Research and Training in Tropical Diseases, \$ 500 000 to the Onchocerciasis Control Programme and \$ 100 000 to the African Programme for Onchocerciasis Control.

**Statement IV** (continued)

Effective appropriations (a)	Obligations (b)			Unobligated balance of appropriations	Appropriation section
	Liquidated	Unliquidated	Total		
(8)	(9)	(10)	(11)	(12)	(1)
19 145 000	17 617 832	657 224	18 275 056	869 944	1. Governing bodies
254 178 581	233 338 965	16 460 155	249 799 120	4 379 461	2. Health policy and management Director-General's and Regional Directors' Development Programme
1 661 400				1 661 400	
162 607 441	138 113 872	21 250 381	159 364 253	3 243 188	3. Health services development
129 615 516	112 099 311	14 129 526	126 228 837	3 386 679	4. Promotion and protection of health
145 384 462	126 522 848	17 287 845	143 810 693	1 573 769	5. Integrated control of disease
124 828 700	106 286 307	8 331 803	114 618 110	10 210 590	6. Administrative services
<b>837 421 100</b>	<b>733 979 135</b>	<b>78 116 934</b>	<b>812 096 069</b>	<b>25 325 031</b>	<b>EFFECTIVE WORKING BUDGET</b>
80 000 000	80 000 000		80 000 000		7. Transfer to Tax Equalization Fund
917 421 100	813 979 135	78 116 934	892 096 069	25 325 031	TOTAL

## Notes to the Accounts

### *Consolidated Statement of Income and Expenditure and Changes in Fund Balances, All Sources of Funds for the Financial Period 1998-1999 (Statement I)*

#### Income

##### **Assessed contributions (Statement I)**

1. Income from assessed contributions of Members and Associate Members for the effective working budget 1998-1999, is recorded when it is due, i.e., on an accrual basis. A provision is established for delays in collection of contributions amounting to 100% of the assessed contributions which remained outstanding at 31 December 1999 against such income.
2. In accordance with Health Assembly resolution WHA21.10 under which the Tax Equalization Fund was established, the assessed contributions of all Member States are reduced by the income generated by the staff income tax assessment plan. For those Member States 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 Member States 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 Member States in proportion to their assessments for the financial period concerned. In 1998-1999, income credited to the Tax Equalization Fund was derived as follows:

	1996-1997 US\$	1998-1999 US\$
Staff Assessment (Appropriation Section 7 - see Statement IV)	80 000 000	<b>80 000 000</b>
<b>Less:</b> Credits to Member States	<u>69 555 000</u>	<u><b>69 635 000</b></u>
Statement I	<u>10 445 000</u>	<u><b>10 365 000</b></u>

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

##### **Voluntary Contributions (Statements I, I.1, I.3 and I.4)**

4. Voluntary contributions for WHO programme activities are recorded on a cash basis, i.e., as received. These include contributions received for the Voluntary Fund for Health Promotion, the Onchocerciasis Control Programme, the African Programme for Onchocerciasis Control, the Sasakawa Health Trust Fund, the Trust Fund for the Special Programme for Research and Training in Tropical Diseases, the Associate Professional Officers Programme, other Trust Funds for technical cooperation, and Supply Services funds.
5. Contributions of goods or services in kind received by WHO are recorded both as income and expenditure in the Voluntary Fund for Health Promotion upon receipt of the goods or services at the value stated by the donor.
6. WHO administers other trust funds and entities which do not form part of WHO's programme activities; contributions for these trust funds and entities are also recorded on a cash basis. They include the trust fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), International Agency for Research on Cancer (IARC) and International Computing Centre (ICC), for each of which detailed financial reports are issued and audit certification is made to the governing body concerned. Also included under this classification are the trust fund for the WHO Staff Health Insurance (SHI), foundations and associated accounts under administration by the Organization (Note 20).



**Other Income - WHO Funds**

**Revenue-producing activities (Statements I and I.1)**

7. Revenues comprise staff house rents and rental from WHO regional travel agents which are credited to the Real Estate Fund (Schedule 8); rentals from concessionaires at Headquarters, credited to the Special Account for Operation of Concessions at Headquarters; sale of WHO publications and other promotional material credited to the Revolving Sales Fund. Income is recorded on a cash basis.

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

8. These represent cash drawings from the United Nations Development Programme, the United Nations Population Fund and other 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 (Statement I.2).

**Income from services rendered**

9. This comprises income from programme support costs levied against programme expenditure under extrabudgetary financed activities (Statement I.1).
10. Income earned during the financial period from programme support cost charges against expenditure financed from extrabudgetary resources is retained in the Special Account for Servicing Costs for use in the succeeding financial period.

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

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

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

14. As authorized by the Health Assembly in resolution WHA50.25, the net use of the exchange rate facility in 1998-1999 amounted to transfers of \$ 5 232 900 from the regular budget to casual income, in respect of savings generated because the United Nations monthly accounting rates of exchange were more favourable than those set for the programme budget for the biennium.

**Other income - other (Statements I, I.1 and I.4)**

15. This income includes:

	1996-1997 US\$	1998-1999 US\$
(a) Other WHO Funds (Statement I.1)		
Refunds and rebates	873 362	<b>430 906</b>
Exchange differential	134 987	<b>(923 155)</b>
Sale of staff housing in Windhoek, Namibia	214 035	-
Sale of equipment and material	258 804	<b>189 515</b>
Revenue from the Swiss Postal authorities	408 025	<b>18 033</b>
Underground parking operations	501 359	<b>625 005</b>
Statements I and I.1	<u>2 390 572</u>	<u><b>340 304</b></u>
	1996-1997 <i>(re-stated) a/</i>	<b>1998-1999</b>
(b) Other Trust Funds and Associated Entities		
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	3 124	<b>(1 169)</b>
International Computing Centre (ICC)	33 429 076	<b>40 714 264</b>
Staff Health Insurance (SHI)	82 737 019	<b>65 140 923</b>
Statement I.4	<u>116 169 219</u>	<u><b>105 854 018</b></u>

a/ In the 1996-1997 Financial Report the income for ICC and SHI was shown under voluntary contributions, non-WHO programme activities. As the nature of this income is not voluntary, it is fairer to show this income as Other Income. Accordingly, relevant 1996-1997 figures which are included for comparative purposes, have been restated.

**Expenditure**

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

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

WHO Funds:

- Real Estate Fund
- Revolving Sales Fund
- Special Account for Operation of Concessions at Headquarters
- Special Account for Servicing Costs
- Terminal Payments Account

Funds under Inter-Organization arrangements:

- United Nations Afghanistan Emergency Trust Fund
- United Nations Children's Fund
- United Nations High Commissioner for Refugees

Trust funds - Technical Cooperation:

- Associate Professional Officers
- Other Trust funds

Supply Services:

- Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training
- General

Voluntary Fund for Health Promotion

18. Expenditure reported in the Financial Report for 1998-1999 is based upon obligations incurred, i.e., disbursements made during the biennium and unliquidated obligations at the end of the financial period.
19. Expenditure for WHO programme activities in Statement I, covering technical cooperation and supply services, is shown under separate columns, such as regular budget and working capital fund, and each source of extrabudgetary funding, and is reported against the expenditure line "International health programme".
20. Expenditure for non-WHO programme activities, or against funds or entities for which WHO has administrative responsibility or other relationship, is reported under the appropriate columnar heading against the expenditure line "Other purposes". The WHO Trust Funds and Associated Entities (Statement I.4) concerned in respect of non-WHO programme activities include:
  - Real Estate Fund
  - Special Account for Concessions at Headquarters
  - Tax Equalization Fund
  - Terminal Payments Account
  - Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)
  - International Agency for Research on Cancer (IARC)
  - International Computing Centre (ICC)
  - Staff Health Insurance (SHI)
  - Special Fund for Compensation
  - Due to Estates of Deceased Staff Members
  - Other Funds
  - Foundations

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

**Staff health insurance (Statement 1.4)**

21. Income of the Staff Health Insurance Fund consists of contributions received in respect of active and retired staff (of which one third is paid by the participants and two thirds by the Organization) as well as interest earned on investments. In addition, the Organization pays a special contribution to finance the actuarial deficit for retired staff which was identified following an actuarial study in 1989. The final payment due in this respect was made in 1999. As a measure to ensure adequate funding for future claims of retired staff, a fixed percentage (currently 25%) of active staff contributions are set aside each year. The remaining 75% of contributions (known as first-tier contributions) are required to meet the current claims of active staff. If contributions are not sufficient for this purpose, any deficit must be met by an additional (second-tier) contribution payable by staff and the Organization in the office/region concerned throughout the following year. The balance of the fund at 31 December 1999, \$ 187 959 568, is comprised as follows:

	31 December 1997 US\$	<b>31 December 1999 US\$</b>
To meet statutory reserves:		
Settlement of outstanding claims (SHI rule 470.1)	7 416 115	<b>8 396 708</b>
Future costs of retired staff (SHI rule 470.2)	116 175 000	<b>143 302 000</b>
Reserve for major claims and cost of reinsurance (SHI rule 470.3)	<u>31 527 348</u>	<u><b>36 260 860</b></u>
	<u>155 118 463</u>	<u><b>187 959 568</b></u>

#### **Other funds (Statements I and I.4)**

##### ***Special fund for compensation (Statement I.4)***

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

##### ***Due to estates of deceased staff members (Statement I.4)***

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

##### ***Other trust funds held by WHO (Statement I.4)***

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

##### ***Foundations (Statement I.4)***

25. These comprise foundations for which WHO holds funds in trust and is responsible for financial and administrative management. At 31 December 1999, they were:

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

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

26. This provision relates to the assessed contributions of Members to the effective working budget under the approved regular programme budget for 1998-1999 which remained unpaid at 31 December 1999. The total amount of the provision corresponds to the total assessed contributions outstanding for Members as reflected in Schedule 3.

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

27. Resolution WHA50.25 decided that the balance of casual income for 1997 remaining after meeting the provisions of the incentive scheme and the exchange rate facility be returned to Member States to apply to their assessments in 1999. The balance of casual income at 31 December 1997 was \$ 16 256 760.

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

28. Arrears of assessed contributions collected in 1998-1999 in respect of prior financial periods and their disposition are detailed as follows:

Financial Period	Internal Borrowing US\$	Working Capital Fund US\$	Casual Income US\$	Amount US\$
1974-1978	-	-	51 183	51 183
1986-1987	-	-	43 560	43 560
1988-1989	-	-	174 202	174 202
1990-1991	-	22 819	-	22 819
1992-1993	-	-	1 339 240	1 339 240
1994-1995	1 852 977	726 623	-	2 579 600
1996-1997	<u>91 093 146</u>	<u>4 632 071</u>	<u>8 690 538</u>	<u>104 415 755</u>
	<u>92 946 123</u>	<u>5 381 513</u>	<u>10 298 723</u>	<u>108 626 359</u>
	(Schedule 4)	(Schedule 4)	(Schedule 5)	(Schedule 3)

**Savings on liquidation of obligations of prior financial periods (Statements I, I.1, I.2, I.3 and I.4)**

29. These relate to the settlement in 1998-1999 of unliquidated obligations of prior financial periods, and the net savings that had accrued when settlement took place, or when obligations were no longer required. The savings reported relate to those funds under which accrual expenditure variances are dealt with by debit/credit to a casual or miscellaneous income account in the fund concerned. These funds and the income credited to each during the 1998-1999 biennium, comprise the following:

Regular budget

United Nations Development Programme

United Nations Environment Programme

United Nations International Drug Control Programme

United Nations Population Fund

United Nations Trust Fund for Assistance to Lebanon

United Nations Afghanistan Emergency Trust Fund

United Nations Sundry Trust and Voluntary Funds

African Programme for Onchocerciasis Control

Onchocerciasis Control Programme

Trust Fund for the Special Programme for Research and Training in Tropical Diseases

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

Sasakawa Health Trust Fund

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

**Eliminations (Statement I - Annex 2)**

30. In an operational environment such as that in WHO where programme activities under the regular budget and those under extrabudgetary sources of financing comprise a single entity, thus forming the international health programme, expenditure is consolidated in the Organization's accounts and financial statements to reflect globally the costs of technical cooperation programme delivery. In terms of the consolidation concept and where, as in WHO, there are material transfers of financial resources between individual funds during the financial period, it is necessary, in order to reflect the net costs of overall programme delivery, to eliminate such transfers and thus avoid the effects of "double counting" of expenditures and corresponding income. In addition, it is necessary to eliminate the "double counting" effects between expenditures for programme support services charged against extrabudgetary funds and the corresponding support costs income received in the Special Account for Servicing Costs.

**Statement of Assets, Liabilities and Fund Balances as at 31 December 1999 (Statement II)**

**Assets**

**Cash, Deposits and Securities (Schedule 1(a))**

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

31. The aggregation of all the Organization's cash funds, including cash, imprest and bank accounts, and funds in transit, reflects a balance of \$ 52 613 523.

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

**Letters of credit**

32. In addition to actual cash resources in hand, WHO had available to it at 31 December 1999 undrawn balances totalling \$ 48 321 483 (\$ 18 966 113 at 31 December 1997) under letters of credit received from the United States of America. These relate to the following activities:

**The US Agency for International Development**

- Under the Voluntary Fund for Health Promotion, \$ 37 040 885.
- Under the Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), \$ 10 200 000.

**The US Environmental Protection Agency**

- Under the Voluntary Fund for Health Promotion, \$ 1 080 598.

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

**Accounts receivable**

33. Sundry debtors - \$ 37 396 672, as detailed below - comprising payments due from other international organizations, advances made to staff members in accordance with the regulations and rules of the Organization, deposit accounts and other debtors. This item includes certain expenses that will be charged against corresponding reserves for unliquidated obligations, or other appropriate accounts in 2000.

	31 December 1997 US\$	<b>31 December 1999 US\$</b>
Personal accounts of WHO staff - advances including standing advances	12 895 382	<b>16 300 243</b>
Due from other United Nations organizations and agencies, institutions, governments and ministries, firms, corporations and other entities, for goods and services provided	10 479 419	<b>8 775 521</b>
Clearance accounts – for processing in 2000	7 928 564	<b>11 276 973</b>
Other debtors	399 365	<b>983 966</b>
Guarantee deposits	<u>61 415</u>	<u><b>59 969</b></u>
	<u>31 764 145</u>	<u><b>37 396 672</b></u>

**Prepaid expenses**

34. The amount of \$ 315 598 represents disbursements made in respect of obligations against the next financial period and will be charged as expenditure in that period.

**Capital assets (Real property)**

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

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.

During 1998-1999, there were increases (decreases) in capital assets at the following locations, representing obligations incurred during 1998-1999:

	US\$
Regional Office for the Eastern Mediterranean Construction of new regional office building in Cairo, resolutions WHA49.8, WHA50.11	9 622 936
Regional Office for South East Asia Addition of one floor to the regional office building, resolution WHA46.22	(4 652)

At 31 December 1999, the cost of land and buildings at each location comprises the following:

<b>Location</b>	<b>Balance 1 January 1998 US\$</b>	<b>Increase 1998-1999 US\$</b>	<b>Decrease 1998-1999 US\$</b>	<b>Balance 31 Dec 1999 US\$</b>
<i>Headquarters</i>	41 597 370			41 597 370
Regional Office for Africa	7 012 106			
African Region - other	<u>1 249 634</u>			
<i>Total: Regional Office for Africa</i>	8 261 740			8 261 740
<i>Regional Office for South-East Asia</i>	1 487 947		(4 652)	1 483 295
Regional Office for the Eastern Mediterranean	297 056			
Eastern Mediterranean Region - other	<u>68 369</u>			
<i>Total: Regional Office for the Eastern Mediterranean</i>	365 425	9 622 936		9 988 361
<i>Regional Office for the Western Pacific</i>	3 456 758			3 456 758
<b>Total: Capital assets (Real property)</b>	<b><u>55 169 240</u></b>	<b><u>9 622 936</u></b>	<b><u>(4 652)</u></b>	<b><u>64 787 524</u></b>

## Liabilities

### *Members' contributions received in advance*

36. At 31 December 1999, 51 members had paid in advance or in part, their contributions to the effective working budget for 2000-2001 and future years. Contributions paid in advance at that date amounted to \$ 42 111 903, and related to the following members, in the amounts and for the years indicated:

<b>Member Country</b>	<b>2000 US\$</b>	<b>2001 US\$</b>	<b>Future years US\$</b>	<b>Total US\$</b>
Angola	33 691			33 691
Australia	203 540			203 540
Bangladesh	1 630			1 630
Belarus	61 920	433		62 353
Benin	136			136
Bhutan	510			510
Botswana	2 150			2 150
Burkina Faso	5 354			5 354
Cambodia	145			145
Canada	11 000 450			11 000 450
Colombia	52 650			52 650
Cook Islands	85			85
Costa Rica	30 618			30 618



**Members' Contributions Received in Advance** (continued)

<b>Member Country</b>	<b>2000 US\$</b>	<b>2001 US\$</b>	<b>Future years US\$</b>	<b>Total US\$</b>
Cuba	98 495			98 495
Czech Republic	280 000			280 000
Democratic People's Republic of Korea	1 438			1 438
Dominica	4 125	970		5 095
Eritrea	3 560			3 560
Estonia	49 875			49 875
France	1 374 250			1 374 250
Guatemala	34			34
Haiti	8 400	8 400	17 020	33 820
Kiribati	160			160
Latvia	15 901			15 901
Madagascar	2 158			2 158
Malawi	7 865	7 865	16 406	32 136
Malta	510			510
Mauritius	475			475
Mexico	1			1
Micronesia (Federated States of)	3 615	3 615	72 000	79 230
Mozambique	3 580	3 580	30 670	37 830
Myanmar	365			365
New Zealand	825 191			825 191
Pakistan	20 751			20 751
Qatar	5 201			5 201
Republic of Korea	158 990			158 990
Romania	10 730			10 730
Saint Lucia	160			160
Samoa	3 525	3 525	32 635	39 685
Sao Tome and Principe	3 905	3 905	29 333	37 143
Saudi Arabia	91 040			91 040
Slovakia	137 785	6 180		143 965
South Africa	1 482 705			1 482 705
Swaziland	8 350	8 350	17 835	34 535
Sweden	4 354 290			4 354 290
Thailand	637 348			637 348
Tonga	3 525	3 525	32 030	39 080
Tunisia	12 599			12 599
United Kingdom of Great Britain and Northern Ireland	20 751 255			20 751 255
United Republic of Tanzania	11 570	11 570	7 610	30 750
Zambia	8 085	8 085	11 670	27 840
<b>Total US\$</b>	<b>41 774 691</b>	<b>70 003</b>	<b>267 209</b>	<b>42 111 903</b>

**Unliquidated Obligations (Notes 16,17)**

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

**Accounts payable**

38. Accounts payable, \$ 33 468 318, representing the firm liabilities of the Organization for goods supplied and services rendered for which suppliers' invoices, staff claims and claims from contractors and other organizations had been received before year-end and their actual cost reflected in the expenditure accounts, but for which payment had not been made by 31 December 1999. These comprise the following:

	31 Dec 1997 US\$	<b>31 Dec 1999 US\$</b>
Personal accounts of WHO Staff – proceeds of claims and other amounts due	1 467 131	<b>3 710 903</b>
Due to other United Nations organizations and agencies, institutions, government ministries, firms, corporations and other entities, for goods and services received	2 841 526	<b>14 302 122</b>
Due to United Nations Joint Staff Pension Fund for contributions and other payments outstanding	6 990 509	<b>8 796 780</b>
Clearance accounts – for processing in 2000	<u>5 731 148</u>	<u><b>6 658 513</b></u>
	<u>17 030 314</u>	<u><b>33 468 318</b></u>

**Fund Balances**

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

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

Since UNAIDS is a cosponsored interagency programme undertaken by UNICEF, UNDP, UNFPA, UNESCO, WHO and the World Bank, it is not considered part of WHO's International Health Programme but as a separate entity. Accordingly, it appears in the WHO's Consolidated Statement of Income and Expenditure and Changes in Fund Balances, Other Trust Funds and Associated Entities, Statement I.4 and its expenditure is included under "Other purposes". It is reflected as a separate trust fund in the Statement of Assets, Liabilities and Fund Balances, Statement II. UNAIDS income is recorded on a cash basis; its expenditure on the basis of accrual accounting. The Executive Director of UNAIDS is responsible for presenting the UNAIDS Financial Report to the Programme Coordinating Board. The accounts and the financial report of UNAIDS are subject to WHO's internal and external audit examination. The External Auditor will address a separate audit report and opinion for 1998-1999 to the Chairman of the Programme Coordinating Board of UNAIDS.

**Working Capital Fund/Internal Borrowing**

40. At 31 December 1999, the Working Capital Fund of \$ 31 000 000 had been fully withdrawn to finance regular budget implementation pending receipt of assessed contributions from Member States. A further amount of US \$ 63 110 688 was internally borrowed against other available WHO funds.

**Holding Account**

41. This account holds funds appropriated by the Health Assembly to help finance the regular budget for the next financial period. By resolution WHA52.20 the Health Assembly appropriated \$ 23 320 914 of casual income and \$ 1 700 000 from the reimbursement of estimated programme support costs by the United

Nations Development Programme to help finance the 2000-2001 programme budget. These funds will be credited as income to the regular budget on 1 January 2000.

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

42. This account is credited with the proceeds from sale of publications, international certificates of vaccination, films, videos and other information material. Against it are charged the costs of producing additional copies of such items for sale.

In 1998-1999, in accordance with resolution WHA22.8, an amount of \$ 5 926 379 (\$ 6 050 000 1996-1997) was transferred from the Revolving Sales Fund to the Special Account for Servicing Costs in order to finance, through the latter account, the cost of sales promotion and of staff engaged in sales for the financial period 2000-2001.

Further, in accordance with resolution WHA22.8, an amount of \$ 877 268 (\$ 449 852 1996-1997) was transferred to casual income, leaving a balance of \$ 500 000 in the Revolving Sales Fund.

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

43. Established by the Director-General under the terms of Financial Regulation 6.5, this account is credited with all amounts paid by concessionaires for space, equipment and other facilities made available by the Organization. The cost of repairs, utilities, maintenance work and replacement of equipment are charged against the account.

#### ***Members' Equity in Capital Assets (Real Property)***

44. The balance of \$ 64 787 524 represents the value of capital assets (real property) at 31 December 1999 (Note 35).

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

45. In accordance with established accounting policy, non-expendable equipment, including furniture, computers and other office equipment and motor vehicles, is charged as expenditure on purchase. Non-expendable equipment is recorded at cost. The total value at cost at 31 December 1999 was \$ 94 414 035 (\$ 100 750 903 at 31 December 1997). Due to the civil disturbances in Brazzaville, WHO's fixtures, equipment and motor vehicles costing \$ 2 064 150 were damaged or looted during the last quarter in 1997, and consequently these items were not included in the above figure.

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

46. WHO is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF) which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the Organization to the UNJSPF consists of its mandated contribution at the rate established by the United Nations General Assembly together with its share of any actuarial deficiency payments which might become payable pursuant to Article 26 of the Regulations of the Fund.

#### ***Amounts written-off, administrative waivers, ex-gratia payments***

47. During 1998-1999 there were fifteen cases of amounts written-off totalling \$ 149 647.28; six cases of administrative waivers which amounted to \$ 7 492.55 and no ex-gratia payments.

#### ***Contingent Liabilities***

48. At 31 December 1999, there were pending legal proceedings against the Organization of an immaterial nature on matters relating to rental at one field office and to one accident involving a WHO vehicle. In addition claims are being processed relating to rental at one field office, to the fraudulent purchase of vehicles and to illness contracted by a staff member while on duty travel. Finally, there were outstanding personnel matters before the ILO Administrative Tribunal. These are being contested by the Organization; the legal proceedings have not progressed sufficiently to determine the extent of any liability of the

Organization with any degree of certainty. A contingent liability of \$ 16 518 477 exists for mutually agreed separations (MAS) signed by staff members by 31 December 1999, who will leave during 2000.

***Statement of Appropriations for the Financial Period 1998-1999 (Statement IV)***

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

49. Paragraph C of the Appropriation Resolution for the financial period 1998-1999 (resolution WHA50.25) states the following:

Notwithstanding the provisions of Financial Regulation 4.5, the Director-General is authorized to make transfers between those appropriation sections that constitute the effective working budget up to an amount not exceeding 10% of the amount appropriated for the section from which the transfer is made, this percentage being established in respect of section 2 exclusive of the provision made for the Director-General's and Regional Directors' Development Programme (US\$ 7 592 000). The Director-General is also authorized to apply amounts not exceeding the provision for the Director-General's and Regional Directors' Development Programme to those sections of the effective working budget under which the programme expenditure will be incurred. All such transfers shall be reported in the financial report for the financial period 1998-1999. Any other transfers required shall be made and reported in accordance with the provisions of Financial Regulation 4.5.

50. All transfers between appropriation sections made by the Director-General during the 1998-1999 biennium were within the authority granted under the Appropriation Resolution and were effected in order to meet changing programme needs. However, an additional requirement under one allocation in a given section may frequently be offset by a reduced requirement under another allocation in the same appropriation section, thereby avoiding the need for a transfer. A consolidated record of transfers made by the Director-General is kept centrally at headquarters. The transfers made in the course of the implementation of the 1998-1999 programme budget are summarized as follows:

**Appropriations Section 1- Governing bodies**

	US\$
<b><i>The regions</i></b>	
- in the African Region, increased cost of the Regional Committee	340 000
- in the Western Pacific Region, increased costs for the Regional Committee	67 600
<b><i>offset by:</i></b>	
- in the South-East Asia Region, savings under the cost of the Regional Committee	(50 300)
- minor costing adjustments in the Eastern Mediterranean region	(3 400)
<b><i>Global and interregional activities</i></b>	
- Reduced requirements for the Health Assembly	<u>(500 000)</u>
<b><i>Net transfers out</i></b>	<u>(146 100)</u>

## Appropriation Section 2 - Health policy and management

US\$

### *The regions*

- funds from the Director-General's and Regional Directors' Development Programme, reprogrammed into this section:	
- Africa	136 571
- The Americas	104 200
- South-East Asia	335 007
- Europe	63 060
- Eastern Mediterranean	298 600
- Western Pacific	255 500
- in the African Region, increased requirements under the National Professional Officers scheme	3 280 500
- in the South-East Asia Region, increased requirements for supplementary intercountry programmes (SEA/RC50/R2)	2 984 800
- in the European Region, increased requirements for humanitarian assistance	211 300
- in the Eastern Mediterranean Region, increases as per Joint Programme Review Missions	1 409 700

### *offset by:*

- savings due to delays in recruitment of staff in the Western Pacific Region	(1 984 100)
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### *Global and interregional activities*

- activities financed from the Director-General's Development Programme	931 843
- savings under staff costs	<u>(400 000)</u>

*Net transfers in* 7 626 981

## Director-General's and Regional Directors' Development Programme

### *The regions*

- activities under the Director-General's and Regional Directors' Development Programme, reprogrammed under relevant sections as reflected in Table VIII	(3 651 900)
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### *Global and interregional activities*

- activities implemented under the Director-General's Development Programme, reprogrammed under relevant sections as reflected in Table VIII	<u>(2 278 700)</u>
--	--------------------

*Net transfers out* (5 930 600)

### Appropriation Section 3 - Health services development

US\$

#### *The regions*

- funds from the Director-General's and Regional Directors' Development Programme, reprogrammed into this section:	
- Africa	375 241
- South-East Asia	90 600
- Europe	110 000
- Eastern Mediterranean	345 400
- Western Pacific	22 200

#### *offset by:*

- in the African Region, savings reprogrammed to priority programmes under other sections	(2 848 400)
- in the South East Asia Region, reprogramming to other sections	(2 265 600)
- in the European Region, reduced regional office requirements and shift of resources to other programmes	(324 900)
- in the Eastern Mediterranean Region, reprogramming to other sections	(1 194 700)
- in the Western Pacific Region, reduced requirements due to staff vacancies in many country programmes	(1 226 300)

#### *Global and interregional activities*

- activities financed from the Director-General's Development Programme	48 000
- savings under staff costs	<u>(500 000)</u>

*Net transfers out* (7 368 459)

### Appropriation Section 4 - Promotion and protection of health

#### *The regions*

- funds from the Director-General's and Regional Directors' Development Programme, reprogrammed into this section:	
- Africa	24 666
- South-East Asia	44 800
- Europe	140 000
- Eastern Mediterranean	129 500
- Western Pacific	127 900
- in the European region, increased requirements for the Tobacco or Health programme	323 300

*offset by:*

	US\$
- in the African Region, savings reprogrammed to priority programmes under other sections	(788 600)
- in the South-East Region, reprogramming for supplementary intercountry programmes (SEA/RC50/R2) and other savings	(4 062 100)
- in the Eastern Mediterranean Region, reprogramming to other sections following Joint Programme Review Missions	(1 209 700)
- in the Western Pacific Region, minor costing adjustments	(58 900)

*Global and interregional activities*

- activities financed from the Director-General's Development Programme	303 350
- increased requirements due to restructuring	<u>1 400 000</u>

*Net transfers out* (3 625 784)

**Appropriation Section 5 - Integrated control of disease**

*The regions*

- funds from the Director-General's and Regional Directors' Development Programme, reprogrammed into this section:	
- Africa	170 422
- South-East Asia	77 600
- Europe	128 200
- Eastern Mediterranean	246 100
- Western Pacific	695 000
- in the African Region, minor costing adjustments within the intercountry programme	380 500
- in the South-East Asia Region, increased requirements under country programmes, including Roll Back Malaria and Tuberculosis	3 579 800
- in the Eastern Mediterranean Region, increased requirements	907 700
- in the Western Pacific Region, increased activities in many disease-oriented programmes at both country and intercountry levels	3 483 800

*offset by:*

- in the European Region, minor adjustments in the regional office structure	(209 700)
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*Global and interregional activities*

- activities financed from the Director-General's Development Programme	726 840
- increased requirements due to restructuring	<u>200 000</u>

*Net transfers in* 10 386 262

**Appropriation Section 6 - Administrative services**

US\$

***The regions***

- in the Eastern Mediterranean Regional Office,  
additional requirements 90 400

***offset by:***

- in the African Regional Office, savings in staff costs (364 000)
- in the South-East Asia Regional Office, savings in staff costs (186 600)
- in the Western Pacific Regional Office, savings in staff costs  
due to vacancies (282 100)

***Global and interregional activities***

- savings under staff costs (200 000)

***Net transfers out*** (942 300)

**Overall net transfer** -



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**Schedule 1(a)**

**Cash, Deposits and Securities  
as at 31 December 1999**

(expressed in US dollars)

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

**Cash at banks, in transit and on hand at headquarters and in the regions** 52 613 523

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

**Deposits**

in US dollars	590 762 734	
in French francs	<u>220 082</u>	590 982 816

**Securities**

Eurocommercial paper in US dollars	36 926 649	
Treasury bills, notes and bonds in US dollars	181 894 665	
Floating rate notes in US dollars	2 999 950	
Debentures of the World Bank and regional development banks in US dollars	53 638 780	
Debentures of the World Bank and regional development banks in Swiss francs	3 946 227	
Debentures in US dollars	74 631 620	
Debentures in Swiss francs	32 741 004	
Fixed-term deposits in US dollars	16 000 000	
Fixed-term deposits in Swiss francs	<u>4 901 961</u>	<u>407 680 856</u> <sup>a/</sup>
		<u>998 663 672</u> <sup>b/</sup>

**Total cash and other liquid resources at 31 December 1999** 1 051 277 195

a/ The market value of the securities held was \$ 399 075 925

b/ The total revenue from deposits and securities for the financial period 1998-1999, taking into account an amount of \$ 5 507 518 exchange differential (loss), was \$ 76 073 539 (1996-1997: \$ 67 084 297), of which \$ 7 676 300 (1996-1997: \$ 6 706 040) related to the regular budget and was credited to casual income. After taking into account an amount of \$ 158 231 (1996-1997: \$ 164 930) which related to WHO Treasury portfolio management costs, the balance of \$ 68 239 008 (1996-1997: \$ 60 213 327) was apportioned to other funds and special accounts in accordance with Financial Regulations 6.7 and 9.3.

*Schedule 1(b)*

**Cash, Deposits and Securities  
by Source of Funds  
as at 31 December 1999**

(expressed in US dollars)

	1997		1999	
<b>Accounts payable and receivable:</b>				
Accounts payable	17 030 314		<b>33 468 318</b>	
Accounts receivable and prepaid expenses	<u>32 292 212</u>	(15 261 898)	<u><b>37 712 270</b></u>	<b>(4 243 952)</b>
<b>Unliquidated obligations:</b>				
WHO Programme Activities:				
Inter-organization arrangements	6 777 611		<b>15 115 042</b>	
Other WHO funds	11 421 165		<b>16 820 773</b>	
Regular budget	83 147 148		<b>78 116 934</b>	
Trust funds	30 514 524		<b>40 969 148</b>	
Voluntary Fund for Health Promotion	<u>52 655 872</u>	184 516 320	<u><b>74 362 449</b></u>	<b>225 384 346</b>
<b>Non-WHO programme activities:</b>				
International Computing Centre (ICC)	1 607 587		<b>3 331 510</b>	
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	<u>33 612 529</u>	35 220 116	<u><b>28 083 734</b></u>	<b>31 415 244</b>
<b>Trust funds</b>	262 499 655		<b>336 152 839</b>	
<b>Less:</b> Non-cash item - interest accrued and unapportioned	<u>6 329 233</u>	256 170 422	<u><b>11 494 034</b></u>	<b>324 658 805</b>
<b>Voluntary Fund for Health Promotion</b>		186 542 556		<b>275 090 500</b>
<b>Internal borrowing</b>		(92 946 123)		<b>(63 110 688)</b>
<b>Other WHO funds:</b>				
Casual Income Account	36 370 301		<b>28 672 961</b>	
Holding Account	15 517 000		<b>25 020 914</b>	
Real Estate Fund	13 184 075		<b>1 731 678</b>	
Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training	400 000		<b>400 000</b>	
Revolving Sales Fund	500 000		<b>500 000</b>	
Special Account for Operation of Concessions at Headquarters	2 780 373		<b>3 443 029</b>	
Special Account for Servicing Costs	89 446 873		<b>104 757 266</b>	
Special Account for the WHO Renewal Fund			<b>1 909 448</b>	
Tax Equalization Fund	1 217 210		<b>5 898 440</b>	
Terminal Payments Account	<u>39 504 061</u>	198 919 893	<u><b>47 637 301</b></u>	<b>219 971 037</b>
<b>Members' contributions received in advance</b>		<u>20 851 491</u>		<u><b>42 111 903</b></u>
<b>Total</b>		<u><u>774 012 777</u></u>		<u><u><b>1 051 277 195</b></u></u>

**Schedule 2**

**Income and Obligations for the Effective Working Regular Budget for 1998-1999**

(expressed in US dollars)

<b>Income</b>	<b>Actual</b>	<b>Budget</b>
Net Assessments on Member States (Schedule 3) (i)	837 502 000	837 502 000
<b>Less:</b> Provision for delays in collection of assessed contributions	<u>93 817 232</u>	<u>                    </u>
<i>Contributions collected</i>	743 684 768	837 502 000
<b>Less:</b> Amounts transferred to Tax Equalization Fund to meet income tax reimbursements (ii)	<u>10 365 000</u>	<u>10 365 000</u>
	733 319 768	827 137 000
<b>Plus:</b> Reimbursement of programme support costs by the United Nations Development Programme (resolution WHA50.25)	2 900 000	2 900 000
Casual income appropriated (resolution WHA50.25)	<u>12 617 000</u>	<u>12 617 000</u>
<i>Contributions collected for the effective working budget</i>	748 836 768	842 654 000
<b>Less:</b> Exchange rate facility - net savings transferred to Casual Income Account (Statement IV)(resolution WHA50.25)	<u>5 232 900</u>	<u>5 232 900</u>
<i>Total Income for the effective working budget</i>	743 603 868	837 421 100
<b>Expenditure</b>		
Obligations for the effective working budget (Statement IV, Appropriation sections 1 to 6) (iii)	<u>812 096 069</u>	<u>837 421 100</u>
<i>Excess of obligations over income</i>	68 492 201	-
<b>Financed from:</b>		
- the Working Capital Fund	5 381 513	
- Internal borrowing	<u>63 110 688</u>	<u>                    </u>
	<u>68 492 201</u>	<u>                    </u>
<hr/>		
(i) Assessed contributions for 1998-1999	837 502 000	100.00%
Contributions collected:		
in 1998	345 575 684	41.26%
in 1999	<u>398 109 084</u>	<u>47.54%</u>
Total (Schedule 3)	<u>743 684 768</u>	<u>88.80%</u>
Shortfall in collection of contributions for 1998-1999	<u>93 817 232</u>	<u>11.20%</u>
(ii) Staff assessment (Appropriation section 7)	80 000 000	
<b>Less:</b> Credits to Members	<u>69 635 000</u>	
	<u>10 365 000</u>	
(iii) Effective appropriations (Statement IV)	837 421 100	
<b>Less:</b> Obligations	<u>812 096 069</u>	
<b>Unobligated balance of appropriations (Statement IV)</b>	<u>25 325 031</u>	

*Schedule 3*

**Assessed Contributions – 1998-1999 and Prior Financial Periods**

*(expressed in US dollars)*

Following the introduction in WHO of the United Nations System Accounting Standards from 1996-1997, Assessed Contributions are reflected as income in the accounts on an accrual basis, with a corresponding provision for delays in collection of outstanding contributions.

Members , including Associate Members	1998-1999 assessments			Assessments for prior financial periods			Total outstanding
	Net Assessments	Collected during 1998-1999	Balance outstanding 31 Dec-99	Balance outstanding 1 Jan-98	Collected or adjusted during 1998-1999	Balance outstanding 31 Dec-99	
<b>Members assessed for the effective working budget</b>							
Afghanistan	54 420		54 420	164 130	490	163 640	218 060
Albania	52 600	52 600					
Algeria	1 024 410	1 024 410					
Andorra	58 600	58 600					
Angola	83 580	83 580					
Antigua and Barbuda	50 230		50 230	256 724	100 330	156 394	206 624
Argentina	6 175 110		6 175 110	2 169 182	467 437	1 701 745	7 876 855
Armenia	255 320		255 320	2 192 710	1 790	2 190 920	2 446 240
Australia	11 869 160	11 869 160					
Austria	7 333 260	3 658 110	3 675 150	180 562	180 562		3 675 150
Azerbaijan	552 500		552 500	3 637 010	3 580	3 633 430	4 185 930
Bahamas	142 420	142 420					
Bahrain	149 850	149 850					
Bangladesh	81 640	81 640					
Barbados	73 750	42 540	31 210				31 210
Belarus	1 469 160		1 469 160	2 317 190	1 786 286	530 904	2 000 064
Belgium	8 637 330	8 331 617	305 713	551 192	551 192		305 713
Belize	44 250	44 250					
Benin	48 570	48 570		4 418	4 418		
Bhutan	44 040	44 040					
Bolivia	71 140	42 395	28 745	40 745	40 745		28 745
Bosnia and Herzegovina	62 790	41 860	20 930	582 350	160 785	421 565	442 495
Botswana	81 910	81 910					
Brazil	12 707 650	5 405 190	7 302 460	9 922 470	9 922 470		7 302 460
Brunei Darussalam	162 240	162 240					
Bulgaria	414 320	414 320		655 851	655 851		
Burkina Faso	50 230	50 230		69 856	69 856		
Burundi	46 050	13 680	32 370	105 295	105 295		32 370
Cambodia	46 050	46 050		41 585	41 585		
Cameroon	96 270	75 911	20 359	46 809	46 809		20 359
Canada	23 502 610	23 502 610					
Cape Verde	50 220	50 220		42 105	42 105		
Central African Republic	46 050		46 050	140 016	32 459	107 557	153 607
Chad	46 050		46 050	243 700	160	243 540	289 590
Chile	874 790	874 790					
China	6 927 850	6 927 850					
Colombia	844 110	844 110					

*Schedule 3* (continued)

Members , including Associate Members	1998-1999 assessments			Assessments for prior financial periods			Total outstanding
	Net Assessments	Collected during 1998-1999	Balance outstanding 31 Dec-99	Balance outstanding 1 Jan-98	Collected or adjusted during 1998-1999	Balance outstanding 31 Dec-99	
Comoros	46 050		46 050	407 593	160	407 433	453 483
Congo	424 420	212 032	212 388	685 240	685 240		212 388
Cook Islands	45 020	45 020					
Costa Rica	108 170	108 170					
Côte d'Ivoire	76 900	76 900					
Croatia	523 200	523 200					
Cuba	313 920	313 920		1 139 468	485 734	653 734	653 734
Cyprus	259 050	259 050					
Czech Republic	1 450 970	1 450 970					
Democratic People's Republic of Korea	278 390	278 390					
Democratic Republic of the Congo	71 110	20 448	50 662				50 662
Denmark	5 683 630	5 683 630					
Djibouti	46 050		46 050	133 792	92 372	41 420	87 470
Dominica	46 050	46 050		41 560	41 560		
Dominican Republic	104 640		104 640	869 165	140 587	728 578	833 218
Ecuador	167 420		167 420	276 878	276 878		167 420
Egypt	587 610	587 610					
El Salvador	91 310	91 310					
Equatorial Guinea	46 050		46 050	338 709	36 173	302 536	348 586
Eritrea	44 150	44 150					
Estonia	230 200	230 200		87 168	87 168		
Ethiopia	64 900	64 900					
Fiji	56 760	56 760					
Finland	4 666 940	4 666 940					
France	54 578 460	54 578 460					
Gabon	104 640	44 715	59 925	153 030	153 030		59 925
Gambia	46 050		46 050	110 665	68 475	42 190	88 240
Georgia	539 950		539 950	3 791 480	3 090	3 788 390	4 328 340
Germany	76 693 180	76 693 180					
Ghana	69 930	42 385	27 545				27 545
Greece	2 928 760	2 928 760					
Grenada	46 050		46 050	73 398	31 988	41 410	87 460
Guatemala	159 050	159 050		81 169	81 169		
Guinea	54 400		54 400	82 366	5 490	76 876	131 276
Guinea-Bissau	46 050		46 050	235 089	83 860	151 229	197 279
Guyana	43 980	43 980		149	149		
Haiti	50 230	50 230		41 280	41 280		
Honduras	53 860	53 826	34				34
Hungary	1 047 200	1 047 200					
Iceland	251 560	251 560					
India	2 453 410	2 453 410					
Indonesia	1 312 220	1 149 725	162 495				162 495
Iran (Islamic Republic of)	2 636 950	999 302	1 637 648	2 989 238	2 989 238		1 637 648
Iraq	770 160		770 160	4 401 237	7 150	4 394 087	5 164 247
Ireland	1 721 850	1 721 850					

*Schedule 3* (continued)

Members , including Associate Members	1998-1999 assessments			Assessments for prior financial periods			Total outstanding
	Net Assessments	Collected during 1998-1999	Balance outstanding 31 Dec-99	Balance outstanding 1 Jan-98	Collected or adjusted during 1998-1999	Balance outstanding 31 Dec-99	
Israel	2 460 180	2 460 180					
Italy	43 279 050	41 765 389	1 513 661	4 021 639	4 021 639		1 513 661
Jamaica	66 050	66 050					
Japan	144 382 250	144 382 250					
Jordan	65 130	65 130					
Kazakhstan	1 067 340		1 067 340	4 631 031	894 172	3 736 859	4 804 199
Kenya	70 360		70 360	27 232	23 487	3 745	74 105
Kiribati	44 110	44 110					
Kuwait	1 303 750	1 303 750					
Kyrgyzstan	159 050		159 050	1 041 480	29 803	1 011 677	1 170 727
Lao People's Democratic Republic	51 190	51 190					
Latvia	435 300	100 450	334 850	2 259 930	846 180	1 413 750	1 748 600
Lebanon	108 250	45 580	62 670	40 160	40 160		62 670
Lesotho	48 210	48 210		41 230	41 230		
Liberia	50 230		50 230	356 137	41 315	314 822	365 052
Libyan Arab Jamahiriya	1 381 260	559 398	821 862	1 772 918	1 772 918		821 862
Lithuania	426 930	3 580	423 350	1 022 920	1 022 920		423 350
Luxembourg	560 430	560 430					
Madagascar	54 420	54 420		51 772	51 772		
Malawi	49 340	49 340					
Malaysia	1 303 360	1 303 360					
Maldives	44 080	44 080					
Mali	50 200	42 153	8 047	83 753	83 753		8 047
Malta	98 410	98 410					
Marshall Islands	46 040	46 040					
Mauritania	46 050	3 950	42 100	126 885	126 885		42 100
Mauritius	77 430	77 430					
Mexico	7 295 370	7 295 370		907 052	907 052		
Micronesia (Federated States of)	45 070	45 070		1 260	1 260		
Monaco	56 600	56 600					
Mongolia	48 280	48 280					
Morocco	289 880	289 880					
Mozambique	44 200	44 200					
Myanmar	73 260	73 260					
Namibia	69 310	69 310					
Nauru	46 040		46 040	82 630	50 160	32 470	78 510
Nepal	56 630	41 525	15 105				15 105
Netherlands	12 937 870	12 937 870					
New Zealand	1 822 570	1 822 570					
Nicaragua	46 040	1 599	44 441	40 417	40 417		44 441
Niger	50 230		50 230	201 516	42 123	159 393	209 623
Nigeria	623 230		623 230	463 545	6 340	457 205	1 080 435
Niue	45 920	35 850	10 070				10 070
Norway	4 703 760	4 703 760					
Oman	370 430	370 430					
Pakistan	491 590	491 590					

**Schedule 3** (continued)

Members , including Associate Members	1998-1999 assessments			Assessments for prior financial periods			Total outstanding
	Net Assessments	Collected during 1998-1999	Balance outstanding 31 Dec-99	Balance outstanding 1 Jan-98	Collected or adjusted during 1998-1999	Balance outstanding 31 Dec-99	
Palau	45 170	45 170					
Panama	96 270	72 359	23 911	20 061	20 061		23 911
Papua New Guinea	69 970	59 135	10 835				10 835
Paraguay	99 790	79 431	20 359				20 359
Peru	640 390	56 666	583 724	679 777	679 777		583 724
Philippines	570 050	353 834	216 216				216 216
Poland	2 189 250	2 189 250		134 716	134 716		
Portugal	2 813 350	2 813 350					
Puerto Rico	45 770		45 770	82 200	160	82 040	127 810
Qatar	300 290	300 290					
Republic of Korea	7 304 690	7 304 690					
Republic of Moldova	410 190		410 190	2 460 149	2 930	2 457 219	2 867 409
Romania	904 090	904 090		661 585	661 585		
Russian Federation	23 703 360	5 666 433	18 036 927	34 960 170	34 960 170		18 036 927
Rwanda	46 050	46 050					
Saint Kitts and Nevis	44 200	44 200					
Saint Lucia	43 950	43 950					
Saint Vincent and the Grenadines	45 950	41 970	3 980	49 119	49 119		3 980
Samoa	44 220	44 220					
San Marino	48 370	48 370					
Sao Tome and Principe	44 180	44 180		510	510		
Saudi Arabia	5 268 460	5 268 460					
Senegal	65 940	39 540	26 400				26 400
Seychelles	49 330	49 330					
Sierra Leone	45 010	160	44 850				44 850
Singapore	1 289 150	1 289 150					
Slovakia	473 460	473 460					
Slovenia	529 180	529 180		285 360	285 360		
Solomon Islands	46 050	41 860	4 190	82 570	82 570		4 190
Somalia	46 050		46 050	329 023	160	328 863	374 913
South Africa	2 728 540	2 728 540					
Spain	20 073 420	20 073 420					
Sri Lanka	90 200	90 200					
Sudan	71 160	62 493	8 667	26 012	26 012		8 667
Suriname	58 600	650	57 950				57 950
Swaziland	49 480	49 480					
Sweden	9 290 570	9 290 570					
Switzerland	9 754 020	9 754 020					
Syrian Arab Republic	465 290	465 290					
Tajikistan	104 640		104 640	732 074	59 693	672 381	777 021
Thailand	1 208 580	1 208 580					
The Former Yugoslav Republic of Macedonia	56 760	29 956	26 804				26 804
Togo	46 050	38 952	7 098	7 733	7 733		7 098
Tokelau	45 150	13 570	31 580	28 030	28 030		31 580
Tonga	43 960	43 960					



**Schedule 3** (continued)

Members , including Associate Members	1998-1999 assessments			Assessments for prior financial periods			Total outstanding
	Net Assessments	Collected during 1998-1999	Balance outstanding 31 Dec-99	Balance outstanding 1 Jan-98	Collected or adjusted during 1998-1999	Balance outstanding 31 Dec-99	
Trinidad and Tobago	196 720	191 065	5 655	78 767	78 767		5 655
Tunisia	234 500	234 500					
Turkey	3 338 630	3 338 630		705 000	705 000		
Turkmenistan	159 050		159 050	991 750	1 300	990 450	1 149 500
Tuvalu	44 240	44 240					
Uganda	57 450	57 450		33 910	33 910		
Ukraine	5 721 790		5 721 790	28 477 160		28 477 160	34 198 950
United Arab Emirates	1 527 310	1 527 310					
United Kingdom of Great Britain and Northern Ireland	41 907 670	41 907 670					
United Republic of Tanzania	53 580	53 580		2 107	2 107		
United States of America	216 743 160	181 042 791	35 700 369	39 764 549	39 764 549		35 700 369
Uruguay	364 140	190 278	173 862	314 472	314 472		173 862
Uzbekistan	694 810	549 980	144 830				144 830
Vanuatu	44 290	44 290		41 250	41 250		
Venezuela	2 063 520		2 063 520	1 344 634	971 816	372 818	2 436 338
Viet Nam	69 240	69 240					
Yemen	73 720		73 720	117 162	99 320	17 842	91 562
Yugoslavia	556 690		556 690	4 892 542	5 360	4 887 182	5 443 872
Zambia	48 470	48 470		41 340	41 340		
Zimbabwe	78 360	42 735	35 625				35 625
<b>Total - Members assessed for the effective working budget</b>	<b>837 502 000</b>	<b>743 684 768</b>	<b>93 817 232</b>	<b>173 819 813</b>	<b>108 626 359</b>	<b>65 193 454</b>	<b>159 010 686</b>
<b>Members included in the undistributed reserve</b>							
Total - Members included in the undistributed reserve							
<b>New and formerly inactive Members</b>							
Belarus (a)				908 361		908 361	908 361
Ukraine (a)				4 948 020	48 280	4 899 740	4 899 740
Total - new and formerly Inactive members				5 856 381	48 280	5 808 101	5 808 101
<b>Total - all members</b>	<b>837 502 000</b>	<b>743 684 768</b>	<b>93 817 232</b>	<b>179 676 194</b>	<b>108 674 639</b>	<b>71 001 555</b>	<b>164 818 787</b>

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

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*Schedule 4*

**Working Capital Fund and Internal Borrowing  
as at 31 December 1999**

(expressed in US dollars)

The Working Capital Fund was established by Member States, by appropriating funds from Regular Budget, to finance regular budget implementation pending the receipt of assessed contributions from Members.

Additionally, in accordance with Financial Regulations 5.1 and 6.3, should the Working Capital Fund be depleted, the Director-General is authorized to resort to internal borrowing. Internal borrowing is a mechanism by which funds that are made freely available (i.e., not subject to legal constraint) may be used to finance regular budget implementation pending the receipt of assessed contributions.

Amounts borrowed are repaid from Members' assessed contributions as they become available, first priority being accorded to reimbursement of internal borrowing.

	1996-1997		1998-1999	
	Working Capital Fund	Internal Borrowing	Working Capital Fund	Internal Borrowing
<b>Working Capital Fund established level (WHA48.21)</b>	<u>31 000 000</u>	<u>                    </u>	<u>31 000 000</u>	<u>                    </u>
<b>Balance at 1 January 1996 and at 1 January 1998</b>	<u>                    </u>	<u>(178 147 793)</u>	<u>                    </u>	<u>(92 946 123)</u>
<b>Repayments</b>				
Transfer from casual income: (Resolution WHA48.21)	5 000 000			
Arrears of contributions collected and applied as reimbursement of regular budget income deficit:				
1990-1991	428 546		22 819	
1994-1995	4 342 915	178 147 793	726 623	
1996-1997	<u>                    </u>	<u>                    </u>	<u>4 632 071</u>	<u>92 946 123</u>
<b>Total - Repayments</b>	<u>9 771 461</u>	<u>178 147 793</u>	<u>5 381 513</u>	<u>92 946 123</u>
<b>Withdrawals</b>				
Financing of regular budget pending receipt of assessed contributions	4 632 071	92 946 123	5 381 513	63 110 688
Refund of amounts standing to the credit of each Member or Associate Member (Resolution WHA 48.21)	<u>5 139 390</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total - Withdrawals</b>	<u>9 771 461</u>	<u>92 946 123</u>	<u>5 381 513</u>	<u>63 110 688</u>
<b>Balance at 31 December 1997 and at 31 December 1999 (Statement I)</b>	<u>                    </u> a/	<u>(92 946 123)</u>	<u>                    </u> a/	<u>(63 110 688)</u>

a/ As at 31 December, the Working Capital Fund was fully drawn down and the following amounts remained outstanding:

1990-1991	2 274 816	2 251 997
1994-1995	24 093 113	23 366 490
1996-1997	4 632 071	
1998-1999	<u>                    </u>	<u>5 381 513</u>
	<u>31 000 000</u>	<u>31 000 000</u>

## ***Schedule 5***

### **Casual Income Account as at 31 December 1999**

*(expressed in US dollars)*

In accordance with Financial Regulation 7.1 the Casual Income Account is credited with miscellaneous income arising from a number of sources including the following:

- (i) any unobligated regular budget funded appropriation balances remaining at the end of the financial period;
- (ii) any unliquidated obligations remaining from the prior financial period, including net savings arising on the settlement of unliquidated obligations of that prior financial period;
- (iii) any interest earnings or investment income on surplus liquidity in the regular budget;
- (iv) any refunds or rebates of expenditure received after the end of the financial period to which the original expenditure related;
- (v) any proceeds of insurance claims that are not required to replace the insured item, or otherwise compensate for the loss;
- (vi) the net proceeds generated on the sale of a capital asset after allowing for all costs of acquisition, or improvement, of any asset concerned;
- (vii) net income from the operation of the underground garage/parking at HQ;
- (viii) any net gains or losses that may have arisen under operation of the exchange rate facility, or application of the official United Nations rates of exchange, or in revaluation for accounting purposes of the Organization's assets and liabilities;
- (ix) any payments of arrears of contribution due from Member States that are not required to repay borrowings from the working capital fund or internal borrowing in accordance with regulation 6.3;
- (x) proceeds of the sale of equipment and material;
- (xi) net revenues from the operations of the revolving sales fund;
- (xii) other sundry income.

The use of funds available in the Casual Income Account is determined by the Health Assembly, includes the following:

- (i) WHA41.12 provides for part financing of the regular budget to be apportioned among Members in accordance with the financial incentive scheme. The amount available for appropriation is restricted to the interest earnings on contributions.
- (ii) The Real Estate Fund is funded from the Casual Income Account (WHA23.14).
- (iii) Any remaining balance is appropriated by the Health Assembly and may include a credit against assessments.

A summary of the Casual Income Account for 1998-1999 is shown on the next page, followed by a detailed comparative statement for the years 1996-1999.

**Schedule 5** (continued)

**Casual Income Account  
Summary**

*(expressed in US dollars)*

<b>Balance at 1 January 1998</b>		30 148 404
<i>Of which appropriated under resolutions prior to 1 January 1998</i>		
Transfer for priority country programmes (resolution WHA48.32)	10 000 000	
Exchange rate facility - Transfer to the 1998-1999 regular budget (resolution WHA50.25)	280 700	
To help finance the 1998-1999 budget (resolution WHA50.25)	<u>16 256 760</u>	<u>26 537 460</u>
<b>Balance</b>		3 610 944
<b>Income 1998-1999</b>		<u>42 486 483</u>
<b>Total funds available</b>		46 097 427
<i>Of which appropriated under resolutions during 1998-1999</i>		
To help finance the 2000-2001 budget (resolution WHA52.20)	23 320 914	
Transfer to Real Estate Fund (resolution WHA52.15)	<u>(2 049 000)</u>	<u>21 271 914</u>
<b>Balance available at 31 December 1999 (Statement I.1)</b>		<u><u>24 825 513</u></u>

*Schedule 5* (continued)

**Comparative Statement of Casual Income Received and Utilized in 1996, 1997, 1998 and 1999**

(expressed in US dollars)

	1996	1997	1998	1999
<b>Balance as at 1 January</b>	19 702 262	29 467 019	30 148 404	23 320 914
<b>Income received</b>				
Exchange rate savings:				
1996-1997 regular budget (resolution WHA48.32)	5 731 673	17 534 427		
1998-1999 regular budget (resolution WHA50.25)			2 504 838	3 008 762
Collection of arrears of contributions	4 896 034 a/	1 326 137 a/	1 257 878 a/	9 040 845 a/
Assessments on new Members	72 012	38 106		
Assessments on formerly inactive Members	66 240			48 280
Interest earned	2 814 400	3 891 640	1 663 927	6 012 373
Refunds and rebates	332 601	540 761	233 064	197 842
Exchange differential	(509 661)	644 648	213 595	(1 136 750)
Sale of equipment and material	138 764	120 040	92 157	97 358
Savings on unliquidated obligations	10 647 168	5 054 881	12 955 406	4 776 602
Revenue from Swiss postal authorities and sundry	396 029	11 996	450	17 583
Revolving Sales Fund - Income from sale of WHO publications (net after deduction of costs of production, sales promotion and distribution)		449 852	825 632	51 636
Sale of capital assets		214 035		
Underground parking operations:				
Rentals collected	377 847	321 862	317 870	307 135
Less: Garage security costs	(198 350)			
<b>Total - Income received</b>	24 764 757	30 148 385	20 064 817	22 421 666
<b>Utilization of casual income available</b>				
Financing of regular budget		12 617 000	16 256 760	23 320 914
Appropriated for priority country programmes (resolution WHA48.32)	10 000 000		10 000 000	
Appropriated for the financing of the WHO worldwide management information system (resolution WHA50.24)		6 145 000		
Exchange rate facility:				
Transfer to the 1998-1999 regular budget (resolution WHA50.25)			635 547	(354 847)
Transfer to Working Capital Fund (resolution WHA48.21)	5 000 000			
Transfer to/(from) Real Estate Fund (WHA52.15)		10 705 000		(2 049 000)
<b>Total utilized for the year</b>	15 000 000	29 467 000	26 892 307	20 917 067
<b>Balance as at 31 December</b>	29 467 019	30 148 404	23 320 914	24 825 513
a/ 1988-1989 and prior years	369 196	341 886	258 545	10 400
1992-1993	4 526 838	984 251	999 333	339 907
1996-1997	-	-	-	8 690 538
	4 896 034	1 326 137	1 257 878	9 040 845

## Schedule 6

**Voluntary Fund for Health Promotion**  
**Summary of 1998-1999 Income and Expenditure by Special Account**  
**as at 31 December 1999**

(expressed in US dollars)

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

Source and application of funds	Balance 1 Jan-98	Contributions 1998-1999	Interest, adjustments and refunds 1998-1999	Disbursements 1998-1999	Unliquidated obligations 31 Dec-99	Total obligations 1998-1999	Unobligated Balance 31 Dec-99
<b>Special Account for Medical Research</b>							
Special Account for Medical Research (Unspecified)	63 032	3 208	5 580				71 820
Special Account for Medical Research (Specified) - Human Reproduction	387 833	31 559 266	810 491	23 897 447	3 185 551	27 082 998	5 674 592
Special Account for Medical Research (Specified) - other	956 168	885 850	95 729	656 434	90 351	746 785	1 190 962
<b>Total - Special Account for Medical Research</b>	<b>1 407 033</b>	<b>32 448 324</b>	<b>911 800</b>	<b>24 553 881</b>	<b>3 275 902</b>	<b>27 829 783</b>	<b>6 937 374</b>
Special Account for Community Water Supply	564 199	753 562	(1 480)	590 460	237 510	827 970	488 311
Special Account for Malaria	7 561 222	23 337 095	1 101 337	7 304 773	2 875 004	10 179 777	21 819 877
Special Account for the Leprosy Programme	2 892 554	21 109 937	1 002 500	18 367 668	3 426 736	21 794 404	3 210 587
Special Account for the Yaws Programme	24 433		(24 433)				
Special Account for Diarrhoeal Diseases and Acute Respiratory Infections	11 232 705	18 087 526	765 103	20 301 554	2 017 123	22 318 677	7 766 657
Special Account for Disasters and Natural Catastrophes	30 154 376	35 013 804	1 847 345	35 378 579	7 104 774	42 483 353	24 532 172
Special Account for the Global Programme for Vaccines and Immunization	23 192 475	184 563 136	5 541 686	131 601 750	31 426 379	163 028 129	50 269 168
Special Account for Assistance to the Least Developed among Developing Countries	406 749	569	35 600	159	971	1 130	441 788
Special Account for the Mental Health Programme	2 298 848	5 755 741	210 422	4 197 692	337 493	4 535 185	3 729 826
Special Account for Reproductive Health Technical Support	3 699 152	9 237 882	377 646	6 128 837	581 754	6 710 591	6 604 089
Special Account for Tuberculosis	7 506 324	16 561 971	1 036 614	17 633 129	3 340 013	20 973 142	4 131 767
<b>Special Account for Miscellaneous</b>							
<b>Designated Contributions</b>							
Special Account for Miscellaneous Designated Contributions (Prevention of Blindness)	967 226	2 270 368	68 495	1 755 577	95 278	1 850 855	1 455 234
Special Account for Miscellaneous Designated Contributions (Special Assistance to Cambodia, The Lao People's Democratic Republic and Viet Nam)	305		(305)				
Special Account for Miscellaneous Designated Contributions (other)	94 537 070	281 726 014	7 002 616	220 054 843	19 643 512	239 698 355	143 567 345
<b>Total - Special Account for Miscellaneous Designated Contributions</b>	<b>95 504 601</b>	<b>283 996 382</b>	<b>7 070 806</b>	<b>221 810 420</b>	<b>19 738 790</b>	<b>241 549 210</b>	<b>145 022 579</b>
General Account for Undesignated Contributions	97 885	28 890	9 530				136 305
<b>Grand Total - Voluntary Fund for Health Promotion</b>	<b>186 542 556</b>	<b>630 894 819</b>	<b>19 884 476</b>	<b>487 868 902</b>	<b>74 362 449</b>	<b>562 231 351</b>	<b>275 090 500</b>

**Schedule 7**

**Special Account for Servicing Costs  
as at 31 December 1999**

*(expressed in US dollars)*

In accordance with Financial Regulation 6.5 and as subsequently noted in resolution EB37.R26, this account was established in order to facilitate the budgeting and accounting of funds made available to the Organization to cover in part the costs of servicing activities financed from sources other than the regular budget, UNDP and UNFPA (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; *a/*
- (ii) Similarly, credits received from the United Nations Population Fund and other organizations and bodies of the United Nations system to cover support costs are passed to the account;
- (iii) Funds received for support costs from other extrabudgetary sources, including funds-in-trust arrangements with governments and other entities, and the Voluntary Fund for Health Promotion;
- (iv) Rental income in respect of office accommodation at headquarters utilized by staff financed from extrabudgetary funds is accounted for within the Special Account for Servicing Costs. Against this income are charged the maintenance costs of the office accommodation concerned;
- (v) In accordance with resolution WHA22.8, the costs of promotion of the sales of WHO publications and of staff exclusively engaged in sales are financed by the Revolving Sales Fund through the Special Account for Servicing Costs;
- (vi) Also credited are interest earnings on the balances of funds in the Special Account.

*a/ Income received in this account is reduced by the support costs credited by the Organization to subcontracting agencies, to trust funds and to sub-accounts in the Voluntary Fund for Health Promotion, for contributions to jointly financed activities executed under these sources of funds.*



**Schedule 7** (continued)

	<u>1996-1997</u>	<u>1998-1999</u>
<b>Balance at 1 January 1996 and at 1 January 1998</b>	71 493 063	89 446 873
<b>Expenditure</b>		
Africa	3 468 107	8 294 221
The Americas	170 676	3 180 470
South-East Asia	2 760 602	3 027 116
Europe	1 731 295	1 926 490
Eastern Mediterranean	1 194 301	779 753
Western Pacific	1 834 671	2 892 215
Global and interregional activities	30 176 462	35 152 825
Cost and promotion of sales of WHO publications	5 678 391	4 450 561
<i>Total expenditure</i>	<u>47 014 505</u>	<u>59 703 651</u>
	24 478 558	29 743 222
<b>Transfer to regular budget income in accordance with:</b>		
Resolution WHA50.25 for 1998-1999 and		
Resolution WHA52.20 for 2000-2001	(2 900 000)	(1 700 000) <sup>a/</sup>
<b>Income</b>		
Received from United Nations Development Programme	2 543 757	1 748 192
Received from United Nations Population Fund	1 012 191	714 463
Support costs of subcontracting agencies	165 505	(96 177)
Support costs of trust and voluntary funds	(596 490)	(188 637)
Received for programme support costs from:		
Trust funds and other arrangements	13 723 483	11 743 029
Voluntary Fund for Health Promotion	35 027 756	46 327 601
Received for rental of office accommodation at headquarters from:		
Trust funds and other arrangements	1 925 404	1 546 871
Voluntary Fund for Health Promotion	989 949	840 343
Transfer from Revolving Sales Fund	6 050 000	5 926 379
Interest	7 026 760	8 151 980
<i>Total income</i>	<u>67 868 315</u>	<u>76 714 044</u>
<b>Balance as at 31 December 1997 and 31 December 1999</b>	<u>89 446 873</u>	<u>104 757 266</u>
<i>Allocated for technical and non-technical support activities in 1998-1999 and in 2000-2001</i>	<u>89 446 873</u>	<u>104 757 266</u>

<sup>a/</sup> Transfer of \$ 1 700 000 for the 2000-2001 regular budget through the Holding Account (see Statement I, Annex 1).

***Schedule 8***

**Real Estate Fund  
as at 31 December 1999**

*(expressed in US dollars)*

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

Under resolution WHA23.14 the costs of the real estate activities are funded by appropriations from casual income by the Health Assembly. The Real Estate Fund is also credited with receipts of rentals relating to real estate operations (other than rental for office accommodation, garage rentals and income from the operation of concessions at headquarters), and interest earned on balances in the Fund.

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

**Schedule 8** (continued)

<b>Balance at 1 January 1998</b>		13 184 075
<b>Income</b>		
Transfer to casual income - resolution WHA52.15	(2 049 000) <sup>a/</sup>	
Rents collected	177 662	
Interest	<u>1 045 370</u>	<u>(825 968)</u>
		12 358 107
<b>Expenditure</b>		
<i>Headquarters:</i>		
Renovation of the sub-basement at headquarters - resolution WHA48.22	(23 687)	
Local Area Network (LAN) - resolution WHA48.22	605 357	
<i>Regional Office for Africa:</i>		
Maintenance operations, staff housing - resolution WHA23.14, para. 3(i)	24 926	
Replacement of the air-conditioning system for the computer room and print shop in the Regional Office - resolution WHA48.22	5 470	
<i>Regional Office for the Americas:</i>		
Replacement of the waterproofing of the windows and machine-house roof at the Regional Office - resolution WHA52.15	50 000	
<i>Regional Office for South-East Asia:</i>		
Addition of one floor at the Regional Office - resolution WHA45.9.	(4 652)	
Renovation and restructuring of the internal structure of the Regional Office - resolution WHA48.22.	268 079	
<i>Regional Office for Europe:</i>		
Replacement of the local area network cabling infrastructure - resolution WHA23.14, paragraph 3(ii)	78 000	
<i>Regional Office for the Eastern Mediterranean:</i>		
Construction of a new Regional Office in Cairo - resolution WHA50.11	<u>9 622 936</u>	<u>10 626 429</u>
<b>Balance at 31 December 1999</b>		<u><u>1 731 678</u></u>
<i>Of which:</i>		
<i>Earmarked for construction, maintenance and repair costs authorized but not yet obligated</i>		<u>130 000</u>
<i>Balance available for future authorizations</i>		<u><u>1 601 678</u></u>

<sup>a/</sup> Representing the amounts approved for six projects for the Regional Office for Africa by resolution WHA50.10 for a total of \$ 1 654 000, for one project for the Regional Office for the Americas by resolution WHA47.25 for \$ 250 000 and for one project for the Regional Office for South-East Asia for \$ 145 000 by resolution WHA45.9.

**Schedule 9**

**Revolving Fund for Teaching and Laboratory Equipment  
for Medical Education and Training  
as at 31 December 1999**

*(expressed in US dollars)*

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

**Balance at 1 January 1998** 400 000

Local currencies received (US dollar equivalent):

	<b>Number of requests</b>	<b>Amount</b>	<b>Refunds for completed requests</b>	<b>Net receipts</b>	
Bangladesh	2	78 478	39 946	38 532	
Egypt	13	498 546	114 958	383 588	
Libyan Arab Jamahiriya	3	111 172		111 172	
Malawi	1	294		294	
Myanmar	1	32 583	36 807	(4 224)	
Seychelles	1	13 689		13 689	
Sudan		<u>          </u>	<u>20 528</u>	<u>(20 528)</u>	
		<u>734 762</u>	<u>212 239</u>	<u>522 523</u>	
<b>Less: Transfers to the credit of Members' trust funds for purchases</b>				<u>522 523</u>	<u>          </u>
<b>Balance at 31 December 1999</b>					<u><u>400 000</u></u>

**Schedule 10**

**Terminal Payments Account  
as at 31 December 1999**

*(expressed in US dollars)*

This account was established in accordance with Financial Regulation 6.5, to provide for financing the terminal emoluments of staff members, including repatriation grant, accrued annual leave, repatriation travel, removal on repatriation, and other separation payments. It is funded by a budgetary provision set for the biennium 1998-1999 at 5% of staff net salaries and professional staff post adjustment. It applies to all staff, including those assigned to the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the International Agency for Research on Cancer (IARC); it excludes however, those staff funded from UNDP and staff appointed under the Associate Professional Officers programme. In this way, it is ensured that each source of funds which participates under the scheme bears its appropriate share of the terminal emoluments paid to separating staff members. Interest earned on investments is also credited to the account. The account does not reflect the Organization's full long-term liability for the terminal emoluments of staff members, of which on an ongoing basis the present value at 31 December 1999 is estimated at \$ 79 million.

<b>Balance at 1 January 1998</b>		39 504 061
<b>Income</b>		
Provision for terminal payments	18 388 465	
Interest	<u>4 634 632</u>	<u>23 023 097</u>
		62 527 158
<b>Expenditure</b>		
Repatriation grant	6 090 047	
Accrued annual leave	4 704 911	
Repatriation travel	911 309	
Removal on repatriation	1 304 331	
End-of-service grant	40 689	
Abolition of post and reduction-in-force indemnity	406 083	
Separation by mutual agreement	1 415 132	
Termination payment for reasons of health	<u>17 355</u>	<u>14 889 857</u> <sup>a/</sup>
<b>Balance at 31 December 1999</b>		<u><u>47 637 301</u></u>

a/ *Contingent Liability*

A Contingent liability of US \$ 16,518,477 exists for mutually agreed separation agreements (MAS) signed by staff members by 31 December 1999, who will leave during 2000.

**Schedule 11**

**Supply Services Funds (Trust Funds)  
as at 31 December 1999**

*(expressed in US dollars)*

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

Details	Balance 1 Jan 1998	Receipts 1998-1999	Expenditure 1998-1999	Balance 31 Dec 1999
<b>A. Countries</b>				
Angola	2 295		2 295	
Bangladesh	983	10 787	8 847	2 923
Belgium	2 759			2 759
Benin	21 824	50 224	36 427	35 621
Bhutan		9 846	9 846	
Bosnia and Herzegovina	73 206	(73 206)		
Brazil	31 142			31 142
Burkina Faso	10 896			10 896
Canada	1 608	24 026	18 484	7 150
Central African Republic	18 214		18 214	
Chad		57 985	57 985	
Comoros	6 359			6 359
Congo	52 805			52 805
Democratic Republic of the Congo		92 105		92 105
Egypt	40 289	1 518 036	1 408 290	150 035
Finland	7 537		(332)	7 869
Germany	3 719			3 719
Ghana	146		146	
India	494 837	1 143 314	1 208 341	429 810
Iran (Islamic Republic of)	594	4 338	5 133	(201)
Italy	52		(4 411)	4 463
Jamaica	2 628		967	1 661
Libyan Arab Jamahiriya	32 548	265 085	280 231	17 402
Luxembourg		160 000	88 097	71 903
Madagascar		125	125	
Malawi		110 039	88 990	21 049
Maldives	9 172	6 997	13 379	2 790
Mauritania		48 704	40 693	8 011
Myanmar	2 462	(2 462)		

*Schedule 11* (continued)

Details	Balance 1 Jan 1998	Receipts 1998-1999	Expenditure 1998-1999	Balance 31 Dec 1999
<b>A. Countries</b> (continued)				
Nepal	2 676	152 297	136 840	18 133
Netherlands	10 135	50 343	59 024	1 454
Niger	25 744		25 744	
Nigeria	11 848		2 878	8 970
Oman		56 171	59 776	(3 605)
Pakistan	188 586	633 639	670 435	151 790
Papua New Guinea	385	(385)		
Philippines	1 192 019	1 366 709	2 172 648	386 080
Portugal	545			545
Qatar	1 340	(816)		524
Republic of Korea	12 551	59 540	47 686	24 405
Samoa	212			212
Saudi Arabia	6 231	(5)	(473)	6 699
Seychelles		22 570	22 570	
Sierra Leone		44 000		44 000
Slovakia	5 126			5 126
Solomon Islands	55 893	164 274	214 280	5 887
South Africa		12 897	12 897	
Spain	875	8 776	9 470	181
Sri Lanka	45 030	298 172	297 493	45 709
Sudan	38 052	128 306	155 001	11 357
Swaziland	28		28	
Sweden	72 031			72 031
Switzerland	259	399		658
Syrian Arab Republic	11 063	28 045	15 431	23 677
Togo	3 032		3 032	
Tunisia	6 166			6 166
Uganda	13 461	84 897	67 870	30 488
United Republic of Tanzania	42 685	82 882	83 116	42 451
United States of America	2			2
Yemen	481 789	1 415 753	1 491 204	406 338
<b>Total - Countries</b>	<u>3 043 839</u>	<u>8 034 407</u>	<u>8 828 697</u>	<u>2 249 549</u>
<b>B. Other sources</b>				
South Pacific Commission		486 540	410 478	76 062
Palestinian National Authority		1 162 338	762 570	399 768
<b>Total - Other sources</b>		<u>1 648 878</u>	<u>1 173 048</u>	<u>475 830</u>
<b>C. United Nations sources</b>				
United Nations	(1 713 136)	37 464 612	35 414 574	336 902
United Nations Development Programme		1 218 202	1 218 202	
United Nations Educational, Scientific and Cultural Organization	46 000			46 000
United Nations Population Fund	749 935	2 200 000	2 634 897	315 038
World Bank	28 808	870 227	803 276	95 759
<b>Total - United Nations sources</b>	<u>(888 393)</u>	<u>41 753 041</u>	<u>40 070 949</u>	<u>793 699</u>
<b>GRAND TOTAL</b>	<u>2 155 446</u>	<u>51 436 326</u>	<u>50 072 694</u>	<u>3 519 078</u>

**Schedule 12**

**Special Account for the WHO Renewal Fund  
as at 31 December 1999**

*(expressed in US dollars)*

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

**Balance at 1 January 1998**

-

**Income**

Contributions (extrabudgetary):

Australia	97 920
Austria	30 439
Belgium	337 425
Canada	329 299
China	30 000
Croatia	5 000
Denmark	794 887
Finland	197 083
Iceland	26 748
Ireland	131 930
Japan	880 000
Netherlands	881 358
Norway	1 021 771
Sweden	242 424
Switzerland	253 068
United Kingdom of Great Britain and Northern Ireland	<u>800 000</u>

Total contributions 6 059 352

Interest 137 960

6 197 312

**Expenditure**

Efficiency studies	162 339
Global communications network	1 856 329
Global programme on evidence for health policy	206 341
Global staff management council	50 607
Information technology project	344 238
Management support development	67 572
Meeting of WHO Country Representatives	647 887
Partnerships for health sector development	504 916
Planning and management for temporary staff	12 864
Retreats of Executive Board and Cabinet	251 404
Staff training	133 526
Working group on policies and strategies to support WHO in health research	<u>49 841</u>

4 287 864

**Balance at 31 December 1999**

1 909 448



## **Financial Implementation of WHO's Programme for 1998-1999**

This part of the Financial Report shows the utilization of funds placed at the disposal of the Organization from all sources during the period. Information is provided on the financial implementation of the programme and where appropriate includes comparisons with the previous biennium and with the approved programme budget for 1998-1999.

**Table I**

**International Health Programme  
Expenditure by Sources of Funds**

*(expressed in thousands of US dollars)*

This table indicates the level of expenditure (including programme support costs) incurred by sources of funds, both in absolute terms and in percentages of total expenditure, for 1998-1999 and the previous period 1996-1997.

	1996-1997		1998-1999	
		%		%
<b>Expenditure by sources of funds</b>				
Regular budget	<u>790 937</u>	<u>51.3</u>	<u>812 096</u>	<u>47.0</u>
<i>Other sources:</i>				
Voluntary Fund for Health Promotion	444 229	28.8	562 231	32.6
Special Account for the WHO Renewal Fund			4 288	0.2
Trust Fund for the Global Programme on AIDS	16 344	1.1	5 350	0.3
Trust Fund for the Special Programme for Research and Training in Tropical Diseases	56 366	3.7	61 792	3.6
African Programme for Onchocerciasis Control	4 883	0.3	18 620	1.1
Onchocerciasis Control Programme	42 905	2.8	32 232	1.9
Sasakawa Health Trust Fund	11 632	0.8	10 676	0.6
United Nations sources:				
United Nations Afghanistan Emergency Trust Fund	694		66	
United Nations Children's Fund	2 229	0.1	1 371	0.1
United Nations Development Programme	26 085	1.7	21 390	1.2
United Nations Environment Programme	798	0.1	508	
United Nations High Commissioner for Refugees	6			
United Nations International Drug Control Programme	481		726	
United Nations Population Fund	27 208	1.8	21 040	1.2
United Nations Trust Fund for Assistance to Lebanon	20		11	
United Nations sundry trust and voluntary funds	165		44	
Standard letters of agreement with governments as executing agency	535		692	
Standard letters of agreement between executing agencies	1 883	0.1	1 036	0.1
Supply services trust funds	8 953	0.6	40 071	2.3
Associate professional officers	10 207	0.7	8 839	0.5
Other trust and reimbursable funds	35 181	2.3	52 186	3.0
Special Account for Servicing Costs	47 015	3.1	59 704	3.5
Revolving Sales Fund	1 904	0.1	1 004	0.1
Programmes financed by appropriation from casual income	<u>9 923</u>	<u>0.6</u>	<u>12 374</u>	<u>0.7</u>
<i>Total - Other sources</i>	<u>749 646</u>	<u>48.7</u>	<u>916 251</u>	<u>53.0</u>
<b>TOTAL - Expenditure by sources of funds</b>	1 540 583	<u>100.0</u>	1 728 347	<u>100.0</u>
<b>Less:</b> Eliminations (see Statement I, Annex 2)				
Transfers between technical cooperation programmes	(15 190)		(16 307)	
Programme support costs	<u>(54 792)</u>		<u>(48 971)</u>	
<b>TOTAL - International Health Programme</b>	<u>1 470 601</u>		<u>1 663 069</u>	

**Table II**

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

(expressed in thousands of US dollars)

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

	<u>1996-1997</u>	<u>1998-1999</u>
<b>A. APPROVED BUDGET AND ITS FINANCING</b>		
Total approved budget	<u>842 654</u>	<u>842 654</u>
To be financed as follows:		
Assessed contributions from Members for the effective working budget	828 107	827 137
Reimbursement of programme support costs	3 600	2 900
Casual income appropriated	10 947	12 617
<b>Total financing of budget</b>	<u>842 654</u>	<u>842 654</u>
<b>B. FINANCIAL OUTCOME OF THE BUDGET</b>		
Total approved budget	842 654	842 654
Exchange rate facility - net transfers from/(to) Casual Income Account (resolution WHA50.25)	<u>(23 266)</u>	<u>(5 233)</u>
<i>Effective working budget</i>	819 388	837 421
<b>Less:</b> Total obligations incurred	<u>790 937</u>	<u>812 096</u>
Unobligated balance of effective working budget (balance of appropriations) - becoming cash for credit to Casual Income Account when the outstanding underlying contributions are received	<u>28 451</u>	<u>25 325</u>
<b>INCOME DEFICIT</b>		
Assessed contributions collected for the effective working budget	702 078	733 320
Other income (reimbursement of programme support costs and casual income appropriated)	14 547	15 517
Exchange rate facility - net transfers to Casual Income Account (resolution WHA50.25)	<u>(23 266)</u>	<u>(5 233)</u>
Total budgetary income	693 359	743 604
Total obligations incurred	(790 937)	(812 096)
<b>Income deficit</b>	<u>(97 578)</u>	<u>(68 492)</u> a/

a/ Income deficit covered by a withdrawal of the available balance in the Working Capital Fund (\$ 5 381 513), the remainder of \$ 63 110 688 being secured by internal borrowing against other WHO funds pending receipt of outstanding contributions (Financial Regulation 5.1).

**Table III**

**Financial Implementation by Appropriation Section,  
Programme and Sources of Funds for 1998-1999**

*(expressed in US dollars)*

This table provides a detailed analysis of financial implementation during the biennium by appropriation section, programme and sources of funds.

Appropriation Section/Programme	Regular Budget		Voluntary Fund for Health Promotion	United Nations sources	Other funds	Total
	Approved Budget (1)	Obligations				
<b>1 Governing bodies</b>						
1 Governing bodies						
1.1 World Health Assembly		8 910 436			15 743	8 926 179
1.2 Executive Board		5 570 998			251 404	5 822 402
1.3 Regional Committees		3 793 622			886 049	4 679 671
		<u>18 275 056</u>			<u>1 153 196</u>	<u>19 428 252</u>
<b>Total - Section 1</b>	<b>19 145 000</b>	<b>18 275 056</b>			<b>1 153 196</b>	<b>19 428 252</b>
<b>2 Health policy and management</b>						
1 General Programme Development and Management						
1.1 Executive management		16 936 281	51 176		1 700 225	18 687 682
1.2 Managerial process for WHO's programme development: WHO response to Global change: Deputy RDs and Directors of Programme Management at Regional Offices: Staff development		16 312 435	209 413		378 874	16 900 722
1.3 Management and support to information systems		14 778 339			9 458 788	24 237 127
1.5 Coordination with other organizations: Mobilization of external health resources		12 339 183	1 522 795	1 211	2 444 017	16 307 206
		<u>60 366 238</u>	<u>1 783 384</u>	<u>1 211</u>	<u>13 981 904</u>	<u>76 132 737</u>
2 Health, Science and Public Policy						
2.1 Health in socioeconomic development		7 977 903	3 267 121	575 787	1 533 222	13 354 033
2.2 Research policy and strategy coordination		7 553 296	8 040 186		684 186	16 277 668
		<u>15 531 199</u>	<u>11 307 307</u>	<u>575 787</u>	<u>2 217 408</u>	<u>29 631 701</u>
3 National Health Policies and Programmes Development and Management						
3.1 Technical cooperation with countries		88 617 686	6 646 817		2 845 421	98 109 924
3.2 Collaboration with countries and peoples in greatest need		6 256 402	4 759 530	361 042	516 960	11 893 934
3.3 Procurement services (excluding drugs, biologicals and contraceptives)		7 390 682			912 458	8 303 140
3.4 Emergency and humanitarian action; relief and rehabilitation operation and emergency preparedness programme		7 674 834	42 524 342	3 715 633	49 721 214	103 636 023
		<u>109 939 604</u>	<u>53 930 689</u>	<u>4 076 675</u>	<u>53 996 053</u>	<u>221 943 021</u>

**Table III** (continued)

Appropriation Section/Programme	Regular Budget		Voluntary Fund for Health Promotion	United Nations sources	Other funds	Total
	Approved Budget (1)	Obligations				
4 Biomedical and Health Information and Trends						
4.1 Epidemiology, statistics, trend assessment and country health information		25 497 468	2 713 436		988 172	29 199 076
4.2 Publishing, language and library services		38 464 611			6 409 768	44 874 379
		63 962 079	2 713 436		7 397 940	74 073 455
<b>Total - Section 2</b>	<b>255 839 981</b>	<b>249 799 120</b>	<b>69 734 816</b>	<b>4 653 673</b>	<b>77 593 305</b>	<b>401 780 914</b>
<b>3 Health services development</b>						
1 Organization and management of health systems based on primary health care						
1.1 Health systems research and development		4 177 924	862 975		532 860	5 573 759
1.2 National health systems and policies		35 282 540	2 509 162	2 093 907	769 426	40 655 035
1.3 District health systems		34 514 579	1 865 558	6 447 457	218 776	43 046 370
		73 975 043	5 237 695	8 541 364	1 521 062	89 275 164
2 Human Resources For Health						
2.1 Human resources for health		49 208 443	9 512 292	197 347	3 113 031	62 031 113
2.2 Fellowships		2 473 099			232 160	2 705 259
		51 681 542	9 512 292	197 347	3 345 191	64 736 372
3 Essential Drugs						
3.1 Action programme on essential drugs		11 412 246	18 650 018	9 464	261 858	30 333 586
3.2 Procurement of drugs, biologicals and contraceptives		1 049 649			1 238 588	2 288 237
		12 461 895	18 650 018	9 464	1 500 446	32 621 823
4 Quality of Care and Health Technology						
4.1 Technology for health care		11 695 837	1 498 264		1 217 132	14 411 233
4.2 Drugs and biologicals, quality, safety and efficacy		5 591 940	1 976 994		332 125	7 901 059
4.3 Traditional medicine		3 957 996	27 317			3 985 313
		21 245 773	3 502 575		1 549 257	26 297 605
<b>Total - Section 3</b>	<b>162 607 441</b>	<b>159 364 253</b>	<b>36 902 580</b>	<b>8 748 175</b>	<b>7 915 956</b>	<b>212 930 964</b>
<b>4 Promotion and protection of health</b>						
1 Reproductive, Family and Community Health and Population issues						
1.1 Reproductive health		17 065 148	8 360 977	13 332 054	5 095 923	43 854 102
1.2 Child health		1 110 664	137 850	38 417	794 883	2 081 814
1.3 Adolescent health		1 942 458	1 147 015	436 148	666 816	4 192 437
1.4 Women's health		1 850 775	3 411 679	194 699	386 773	5 843 926
1.5 Ageing and health		2 416 550	663 091		144 693	3 224 334
1.6 Special programme of research, development and research training in human reproduction		1 250 112	26 713 187	6 000 000	382 741	34 346 040
1.7 Occupational health		2 741 987	351 855		20 709	3 114 551
		28 377 694	40 785 654	20 001 318	7 492 538	96 657 204

**Table III** (continued)

Appropriation Section/Programme	Regular Budget		Voluntary Fund for Health Promotion	United Nations sources	Other funds	Total	
	Approved Budget (1)	Obligations					
<b>2 Healthy Behaviour and Mental Health</b>							
2.1 Mental health		7 996 759	5 385 062		994 590	14 376 411	
2.2 Substance abuse including alcohol and tobacco		6 220 101	7 781 849	1 030 221	1 223 119	16 255 290	
2.3 Health promotion		12 561 547	4 961 046	22 816	745 488	18 290 897	
2.4 Communications and public relations		8 773 182	354 181		554 759	9 682 122	
2.5 Rehabilitation		2 261 367	1 351 571		257 362	3 870 300	
		<b>37 812 956</b>	<b>19 833 709</b>	<b>1 053 037</b>	<b>3 775 318</b>	<b>62 475 020</b>	
<b>3 Nutrition, Food Security and Safety</b>							
3.1 Nutrition		10 226 897	3 147 560	186 491	1 670 732	15 231 680	
3.2 Food safety		4 894 056	1 316 754	71 811	195 830	6 478 451	
3.3 Food aid					507 192	507 192	
		<b>15 120 953</b>	<b>4 464 314</b>	<b>258 302</b>	<b>2 373 754</b>	<b>22 217 323</b>	
<b>4 Environmental Health</b>							
4.1 Water supply and sanitation in human settlements		24 530 823	1 269 374	2 472 747	923 558	29 196 502	
4.2 Environmental health in urban development		5 971 112	2 266 210	366 011	292 492	8 895 825	
4.3 Assessment of environmental health hazards		7 872 169	7 544 717	420 735	329 759	16 167 380	
4.4 Promotion of chemical safety		3 620 692	8 774 884		644 871	13 040 447	
4.5 Incorporation of health concerns into environmental management		2 922 438	1 778 744	573 456	240 831	5 515 469	
		<b>44 917 234</b>	<b>21 633 929</b>	<b>3 832 949</b>	<b>2 431 511</b>	<b>72 815 623</b>	
<b>Total - Section 4</b>		<b>129 615 516</b>	<b>126 228 837</b>	<b>86 717 606</b>	<b>25 145 606</b>	<b>16 073 121</b>	<b>254 165 170</b>
<b>5 Integrated control of disease</b>							
<b>1 Eradication/elimination of specific communicable diseases</b>							
1.1 Global eradication or elimination		11 684 411	138 628 592	278 135	11 168 016	161 759 154	
1.2 Regional eradication and elimination		675 559				675 559	
		<b>12 359 970</b>	<b>138 628 592</b>	<b>278 135</b>	<b>11 168 016</b>	<b>162 434 713</b>	
<b>2 Control of Other Communicable Diseases</b>							
2.1 Vaccine-preventable diseases		16 935 323	60 758 690	1 551 980	2 100 717	81 346 710	
2.2 Diarrhoeal and acute respiratory disease control		7 318 592	24 723 516		1 132 754	33 174 862	
2.3 Tuberculosis		11 328 877	21 032 817		2 046 777	34 408 471	
2.4 Emerging diseases including cholera and other epidemic diarrhoeas, zoonoses and antimicrobial resistance		10 963 734	10 315 163	8 491	1 396 643	22 684 031	
2.5 Other communicable diseases		33 244 965	7 627 472	4 060 014	19 656 523	64 588 974	
2.6 Control of tropical diseases		29 905 889	101 357 459	437 831	61 846 558	193 547 737	
2.7 Special programme for research and training in tropical diseases		2 395 581	310 465	1 500 000	61 899 964	66 106 010	
2.8 Prevention of blindness and deafness		2 041 257	2 181 929		3 707	4 226 893	
		<b>114 134 218</b>	<b>228 307 511</b>	<b>7 558 316</b>	<b>150 083 643</b>	<b>500 083 688</b>	

**Table III** (continued)

Appropriation Section/Programme	Regular Budget		Voluntary Fund for Health Promotion	United Nations sources	Other funds	Total
	Approved Budget (1)	Obligations				
3 Control of Noncommunicable Diseases						
3.1 Control of noncommunicable diseases		17 316 505	1 937 855		951 912	20 206 272
		17 316 505	1 937 855		951 912	20 206 272
<b>Total - Section 5</b>	<b>145 384 462</b>	<b>143 810 693</b>	<b>368 873 958</b>	<b>7 836 451</b>	<b>162 203 571</b>	<b>682 724 673</b>
<b>6 Administrative services</b>						
1 Personnel						
1.1 Personnel Services and Administration		16 233 037			9 182 125	25 415 162
		16 233 037			9 182 125	25 415 162
2 General Administration						
2.1 Administrative support to technical programmes		74 558 196	2 391		20 946 888	95 507 475
		74 558 196	2 391		20 946 888	95 507 475
3 Budget and Finance						
3.1 Budget and Finance		23 826 877			12 066 982	35 893 859
		23 826 877			12 066 982	35 893 859
<b>Total - Section 6</b>	<b>124 828 700</b>	<b>114 618 110</b>	<b>2 391</b>		<b>42 195 995</b>	<b>156 816 496</b>
Programme Support Costs, UNDP and UNFPA				501 005		501 005
<b>Total</b>	<b>837 421 100</b>	<b>812 096 069</b>	<b>562 231 351</b>	<b>46 884 910</b>	<b>307 135 144</b>	<b>1 728 347 474</b>

**Details of United Nations sources**

United Nations Development Programme - UN System Support for Policy and Programme Development	330 774
United Nations Development Programme - global, interregional and special activities	4 699 217
Standard letters of agreement with a government as executing agency	692 380
Standard letters of agreement between executing agencies	1 036 261
United Nations Development Programme - Indicative Planning Figures	16 089 658
United Nations Development Programme - Special Programme Resources	231 865
United Nations Development Programme - Technical Support Services for UN Specialized Agencies	38 316
United Nations Environment Programme	508 373
United Nations International Drug Control Programme	726 154
United Nations Population Fund	20 539 083
United Nations Population Fund - Programme support costs	501 005
United Nations Trust Fund for Assistance to Lebanon	10 509
United Nations Afghanistan Emergency Trust Fund	66 390
United Nations Sundry Trust and Voluntary Funds	44 274
United Nations Children's Fund	1 370 651
<b>Total - United Nations sources</b>	<b>46 884 910</b>

**Table III** (continued)

Appropriation Section/Programme	Regular Budget		Voluntary Fund for Health Promotion	United Nations sources	Other funds	Total
	Approved Budget (1)	Obligations				
<b>Details of other funds</b>						
African Programme for Onchocerciasis Control					18 619 715	
Special Account for Servicing Costs					59 703 651	
Trust Fund for the Special Programme for Research and Training in Tropical Diseases					61 792 095	
Associate Professional Officers					8 838 657	
Revolving Fund for teaching and laboratory equipment for medical education and training					595 762	
Trust Funds - Supplies					50 072 694	
Trust Funds					41 588 761	
Trust Fund for the Global Programme on AIDs					5 349 628	
Programmes Financed by Appropriations from Casual Income					12 374 449	
Onchocerciasis Control Programme					32 232 148	
Special Account for the WHO Renewal Fund					4 287 864	
Revolving Sales Fund					1 003 904	
Sasakawa Health Trust Fund					10 675 816	
<b>Total - Other funds</b>					<b>307 135 144</b>	
<i>Less: Eliminations (see Statement I, Annex 2)</i>						
Transfers between Technical Cooperation Programmes						(16 307 131)
Income from Programme Support Costs						(48 970 814)
<b>Total - International Health Programme</b>						<b>1 663 069 529</b>

(1) Approved Regular Programme Budget 1998-1999

The appropriations indicated under the column "Approved Budget" include the levels approved by the Health Assembly (total \$ 842 654 000) in resolution WHA50.25, and take into account transfers made between sections by the Director-General in accordance with the authority vested in her in terms of the appropriation resolution and also transfers made from the Director-General's and Regional Directors' Development Programme. In addition, appropriation levels include the net transfers of \$ 5 232 900 made to the Casual Income Account to record the effects of favourable exchange rate fluctuations during 1998-1999, in terms of the exchange rate facility approved under resolution WHA50.25. Effective appropriations for the biennium, i.e. the effective working budget, thus totalled \$ 837 421 100 (see statement IV).



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**Table IV**

**Operation of the Exchange Rate Facility:  
Transfers from and Transfers to Casual Income  
Resulting from the Effects of Currency Exchange Rate Fluctuations  
in 1998-1999**

(expressed in US dollars)

As authorized in resolution WHA50.25 and in accordance with WHO Financial Regulation 4.6 the table below provides, by organizational level, appropriation section and programme, the breakdown of (a) the transfers from casual income in respect of additional costs, (b) the transfers to casual income in respect of savings (figures in brackets) and (c) the resultant net charge against casual income in 1998-1999 resulting from differences between the WHO budgetary rates of exchange and the United Nations/WHO accounting rates of exchange with respect to the relationship between the US dollar and the Swiss franc, CFA franc, the Indian rupee, the Danish krone, the Egyptian pound and the Philippine peso prevailing during the financial period 1998-1999.

<i>Organizational Level</i>	<i>Global and interregional</i>	<i>Africa</i>	<i>South-East Asia</i>	<i>Europe</i>	<i>Eastern Mediterranean</i>	<i>Western Pacific</i>	<i>Total</i>
Currency	Swiss franc	CFA franc	Indian rupee	Danish krone	Egyptian pound	Philippine peso	
Budgetary rate of exchange	1.480	568	35.50	6.44	3.37	26.20	
Average accounting rate for 1998-1999	1.477	603	41.48	6.86	3.40	39.92	

**I. SUMMARY BY APPROPRIATION SECTION**

**(a) Transfers from casual income (additional costs)**  
(resolution WHA 50.25 para 1.E)

1. Governing bodies	9 300						9 300
2. Health policy and management	74 000						74 000
3. Health services development	22 700						22 700
4. Promotion and protection of health	30 000						30 000
5. Integrated control of disease	26 900						26 900
6. Administrative services	117 800						117 800
<b>Total – Transfers from casual income</b>	<b>280 700</b>						<b>280 700</b>

**(b) Transfers to casual income (savings)**  
(resolution WHA 50.25 para 1.E)

1. Governing bodies							
2. Health policy and management		(158 100)	(149 700)	(288 100)	(16 100)	(936 400)	(1 548 400)
3. Health services development		(42 800)	(32 400)	(79 200)	(4 600)	(311 600)	(470 600)
4. Promotion and protection of health		(31 900)	(35 400)	(79 200)	(1 700)	(132 600)	(280 800)
5. Integrated control of disease		(25 000)	(17 400)	(21 600)	(1 200)	(107 900)	(173 100)
6. Administrative services		(652 900)	(378 500)	(508 000)	(25 800)	(1 475 500)	(3 040 700)
<b>Total – Transfers to casual income</b>		<b>(910 700)</b>	<b>(613 400)</b>	<b>(976 100)</b>	<b>(49 400)</b>	<b>(2 964 000)</b>	<b>(5 513 600)</b>

**(c) Net savings credited to casual income**

	280 700	(910 700)	(613 400)	(976 100)	(49 400)	(2 964 000)	(5 232 900)
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**Table IV** (continued)

<i>Organizational Level</i>	<i>Global and interregional</i>	<i>Africa</i>	<i>South-East Asia</i>	<i>Europe</i>	<i>Eastern Mediterranean</i>	<i>Western Pacific</i>	<i>Total</i>
<b>II. DETAILS BY MAJOR PROGRAMME</b>							
<b>1. Governing bodies</b>							
Governing bodies	9 300						9 300
<b>Total – Appropriation section 1.</b>	<b>9 300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 300</b>
<b>2. Health Policy and Management</b>							
General programme development and management	24 800	(55 400)	(101 100)	(68 400)	(6 600)	(498 100)	(704 800)
Health, science and public policy	2 800	(4 600)	(10 200)	(14 400)	(600)	(17 800)	(44 800)
National health policies and programmes development and management	20 000	(23 800)	(31 200)	(50 400)	(2 800)	(128 300)	(216 500)
Biomedical and health information and trends	26 400	(74 300)	(7 200)	(154 900)	(6 100)	(292 200)	(508 300)
<b>Total – Appropriation section 2.</b>	<b>74 000</b>	<b>(158 100)</b>	<b>(149 700)</b>	<b>(288 100)</b>	<b>(16 100)</b>	<b>(936 400)</b>	<b>(1 474 400)</b>
<b>3. Health services development</b>							
Organization and management of health systems based on primary health care	4 900	(6 200)	(10 800)	(21 600)	(1 000)	(53 400)	(88 100)
Human resources for health	4 800	(32 200)	(14 400)	(36 000)	(3 200)	(258 200)	(339 200)
Essential drugs	3 000	(2 100)	(3 600)	(7 200)	(200)	-	(10 100)
Quality of care and health technology	10 000	(2 300)	(3 600)	(14 400)	(200)	-	(10 500)
<b>Total – Appropriation section 3.</b>	<b>22 700</b>	<b>(42 800)</b>	<b>(32 400)</b>	<b>(79 200)</b>	<b>(4 600)</b>	<b>(311 600)</b>	<b>(447 900)</b>
<b>4. Promotion and protection of health</b>							
Reproductive, family and community health and population issues	6 800	(3 400)	(3 600)	(10 800)	(200)	(35 600)	(46 800)
Healthy behaviour and mental health	6 800	(16 500)	(18 000)	(21 600)	(600)	(43 600)	(93 500)
Nutrition, food security and safety	4 700	(5 100)	(3 600)	(7 200)	(200)	(17 800)	(29 200)
Environmental health	11 700	(6 900)	(10 200)	(39 600)	(700)	(35 600)	(81 300)
<b>Total – Appropriation section 4.</b>	<b>30 000</b>	<b>(31 900)</b>	<b>(35 400)</b>	<b>(79 200)</b>	<b>(1 700)</b>	<b>(132 600)</b>	<b>(250 800)</b>
<b>5. Integrated control of disease</b>							
Eradication/elimination of specific communicable diseases	2 400	-	-	-	-	(18 100)	(15 700)
Control of other communicable diseases	21 500	(22 700)	(17 400)	(14 400)	(1 000)	(72 000)	(106 000)
Control of noncommunicable diseases	3 000	(2 300)	-	(7 200)	(200)	(17 800)	(24 500)
<b>Total – Appropriation section 5.</b>	<b>26 900</b>	<b>(25 000)</b>	<b>(17 400)</b>	<b>(21 600)</b>	<b>(1 200)</b>	<b>(107 900)</b>	<b>(146 200)</b>
<b>6. Administrative services</b>							
Personnel	14 800	(51 100)	(54 200)	(57 600)	(2 600)	(107 600)	(258 300)
General administration	78 500	(511 400)	(234 500)	(364 000)	(17 600)	(1 042 100)	(2 091 100)
Budget and finance	24 500	(90 400)	(89 800)	(86 400)	(5 600)	(325 800)	(573 500)
<b>Total – Appropriation section 6.</b>	<b>117 800</b>	<b>(652 900)</b>	<b>(378 500)</b>	<b>(508 000)</b>	<b>(25 800)</b>	<b>(1 475 500)</b>	<b>(2 922 900)</b>
<b>Net savings credited to casual income</b>	<b>280 700</b>	<b>(910 700)</b>	<b>(613 400)</b>	<b>(976 100)</b>	<b>(49 400)</b>	<b>(2 964 000)</b>	<b>(5 232 900)</b>

**Table V**

**Financial Implementation by Appropriation Section,  
Region and Sources of Funds for 1998-1999**

*(expressed in US dollars)*

This table provides a detailed analysis of financial implementation during the biennium by appropriation section, region and for all sources of funds, and is presented in a format similar to the summaries contained in the programme budget (WHO document PB/98-99, pages 228-230).

Appropriation Section	Regular Budget	Voluntary Fund for Health Promotion	United Nations sources	Other funds	Total
<b>1. Governing bodies</b>					
Africa	1 763 100				1 763 100
The Americas	327 000				327 000
South-East Asia	252 800				252 800
Europe	767 999			652 194	1 420 193
Eastern Mediterranean	213 000			161 855	374 855
Western Pacific	533 600			72 000	605 600
Global and Interregional Activities	14 417 557			267 147	14 684 704
	18 275 056			1 153 196	19 428 252
<b>2. Health policy and management</b>					
Africa	60 782 071	2 106 225	2 850 019	2 004 167	67 742 482
The Americas	19 752 912	1 256 163	82 147	1 575 658	22 666 880
South-East Asia	31 244 000	3 895 702		3 056 511	38 196 213
Europe	18 678 890	18 789 426	344 308	820 252	38 632 876
Eastern Mediterranean	25 856 600	1 278 286	110 474	7 888 385	35 133 745
Western Pacific	16 488 200	8 120 564	285 651	361 744	25 256 159
Global and Interregional Activities	76 996 447	34 288 450	981 074	61 886 588	174 152 559
	249 799 120	69 734 816	4 653 673	77 593 305	401 780 914
<b>3. Health services development</b>					
Africa	32 256 641	2 265 694	1 979 145	1 335 505	37 836 985
The Americas	21 779 735	2 994 390		563 662	25 337 787
South-East Asia	23 946 100	1 467 514	5 804 274	80 361	31 298 249
Europe	5 955 500	3 898 222	168 892	525 810	10 548 424
Eastern Mediterranean	32 073 900	535 340	567 869	2 186 067	35 363 176
Western Pacific	20 656 400	2 503 730	205 783	253 124	23 619 037
Global and Interregional Activities	22 695 977	23 237 690	22 212	2 971 427	48 927 306
	159 364 253	36 902 580	8 748 175	7 915 956	212 930 964
<b>4. Promotion and protection of health</b>					
Africa	20 421 266	1 169 557	2 641 573	666 896	24 899 292
The Americas	16 505 753	336 472	1 716 099	991 141	19 549 465
South-East Asia	15 703 900	597 066	126 118	2 742 817	19 169 901
Europe	8 920 796	13 743 155	3 042 022	1 083 957	26 789 930
Eastern Mediterranean	11 990 800	1 463 490	3 192 464	525 909	17 172 663
Western Pacific	14 411 600	614 402	2 109 771	492 908	17 628 681
Global and Interregional Activities	38 274 722	68 793 464	12 317 559	9 569 493	128 955 238
	126 228 837	86 717 606	25 145 606	16 073 121	254 165 170

Table V (continued)

Appropriation Section	Regular Budget	Voluntary Fund for Health Promotion	United Nations sources	Other funds	Total
<b>5. Integrated control of disease</b>					
Africa	21 873 722	191 418 676	1 790 088	61 841 725	276 924 211
The Americas	17 136 200	4 347 408		1 080 342	22 563 950
South-East Asia	21 749 500	29 593 675	2 147 007	12 415 434	65 905 616
Europe	4 001 800	6 768 208	75 319	216 947	11 062 274
Eastern Mediterranean	12 335 400	17 664 843		5 590 014	35 590 257
Western Pacific	18 971 000	11 006 061	499 382	6 094 270	36 570 713
Global and Interregional Activities	47 743 071	108 075 087	3 324 655	74 964 839	234 107 652
	143 810 693	368 873 958	7 836 451	162 203 571	682 724 673
<b>6. Administrative services</b>					
Africa	16 955 100			6 849 585	23 804 685
The Americas	5 456 898			781 872	6 238 770
South-East Asia	3 483 400			2 277 978	5 761 378
Europe	9 918 199			783 394	10 701 593
Eastern Mediterranean	5 755 800			1 745 413	7 501 213
Western Pacific	4 446 000			2 487 092	6 933 092
Global and Interregional Activities	68 602 713	2 391		27 270 661	95 875 765
	114 618 110	2 391		42 195 995	156 816 496
<b>TOTALS</b>					
Africa	154 051 900	196 960 152	9 260 825	72 697 878	432 970 755
The Americas	80 958 498	8 934 433	1 798 246	4 992 675	96 683 852
South-East Asia	96 379 700	35 553 957	8 077 399	20 573 101	160 584 157
Europe	48 243 184	43 199 011	3 630 541	4 082 554	99 155 290
Eastern Mediterranean	88 225 500	20 941 959	3 870 807	18 097 643	131 135 909
Western Pacific	75 506 800	22 244 757	3 100 587	9 761 138	110 613 282
Global and Interregional Activities	268 730 487	234 397 082	16 645 500	176 930 155	696 703 224
Programme Support Costs, UNDP and UNFPA			501 005		501 005
	812 096 069	562 231 351	46 884 910	307 135 144	1 728 347 474
<b>Less: Eliminations (see Statement I, Annex 2)</b>					
Transfers between Technical Cooperation Programmes					(16 307 131)
Income from Programme Support Costs					(48 970 814)
<b>Total - International Health Programme</b>					<b>1 663 069 529</b>

**Table VI**

**Financial Implementation by Programme**  
**1998-1999 Regular Budget – Regions and Global and Interregional Activities**  
*(expressed in US dollars)*

Programme	Africa	The Americas	South-East Asia	Europe
<b>1.1 Governing bodies</b>				
1.1.1 World Health Assembly				
1.1.2 Executive Board				63 877
1.1.3 Regional Committees	1 763 100	327 000	252 800	704 122
	1 763 100	327 000	252 800	767 999
<b>2.1 General programme development and management</b>				
2.1.1 Executive management	989 547	630 740	772 382	699 544
2.1.2 Managerial process for WHO's programme development; WHO response to global change; Deputy Regional Directors and Directors of programme management at regional offices; Staff development	2 457 697	604 146	3 244 151	1 793 317
2.1.3 Management and support to information systems	1 070 742	2 229 463	1 670 466	2 085 305
2.1.5 Coordination with other organizations; Mobilization of external health resources	490 048	63 777	358 832	815 092
	5 008 034	3 528 126	6 045 831	5 393 258
<b>2.2 Health, science and public policy</b>				
2.2.1 Health in socioeconomic development	1 024 339	1 053 090	1 288 032	1 247 749
2.2.2 Research policy and strategy coordination	419 225	380 048	3 854 032	17 855
	1 443 564	1 433 138	5 142 064	1 265 604
<b>2.3 National health policies and programmes development and management</b>				
2.3.1 Technical cooperation with countries	43 794 243	6 671 664	14 251 839	4 038 716
2.3.2 Collaboration with countries and peoples in greatest need	427 212		1 122 872	170 877
2.3.3 Procurement services (excluding drugs, biologicals and contraceptives)	1 010 351	377 238	492 280	210 490
2.3.4 Emergency and humanitarian action; relief and rehabilitation operation and emergency preparedness programme	1 884 990	136 293	789 884	1 401 297
	47 116 796	7 185 195	16 656 875	5 821 380
<b>2.4 Biomedical and health information and trends</b>				
2.4.1 Epidemiology, statistics, trend assessment and country health information	2 444 572	4 681 478	2 436 893	1 852 596
2.4.2 Publishing, language and library services	4 769 105	2 924 975	962 337	4 346 052
	7 213 677	7 606 453	3 399 230	6 198 648
<b>3.1 Organization and management of health systems based on primary health care</b>				
3.1.1 Health systems research and development	1 351 852	14 200	262 588	427 322
3.1.2 National health systems and policies	4 441 075	16 380 032	1 206 501	1 754 131
3.1.3 District health systems	5 459 625		6 355 994	855 609
	11 252 552	16 394 232	7 825 083	3 037 062

**Table VI** (continued)

Eastern Mediterranean	Western Pacific	Global and Interregional Activities	Total	Programme
		8 910 436	<b>8 910 436</b>	<b>1.1 Governing bodies</b>
		5 507 121	<b>5 570 998</b>	1.1.1 World Health Assembly
213 000	533 600		<b>3 793 622</b>	1.1.2 Executive Board
213 000	533 600	14 417 557	<b>18 275 056</b>	1.1.3 Regional Committees
				<b>2.1 General programme development and management</b>
992 173	955 366	11 896 529	<b>16 936 281</b>	2.1.1 Executive management
				2.1.2 Managerial process for WHO's programme development; WHO response to global change; Deputy Regional Directors and Directors of programme management at regional offices; Staff development
3 181 063	1 655 087	3 376 974	<b>16 312 435</b>	2.1.3 Management and support to information systems
1 033 319	1 060 898	5 628 146	<b>14 778 339</b>	2.1.5 Coordination with other organizations; Mobilization of external health resources
768 976	138 402	9 704 056	<b>12 339 183</b>	
5 975 531	3 809 753	30 605 705	<b>60 366 238</b>	
				<b>2.2 Health, science and public policy</b>
794 913	237 790	2 331 990	<b>7 977 903</b>	2.2.1 Health in socioeconomic development
419 468	534 977	1 927 691	<b>7 553 296</b>	2.2.2 Research policy and strategy coordination
1 214 381	772 767	4 259 681	<b>15 531 199</b>	
				<b>2.3 National health policies and programmes development and management</b>
11 004 774	8 856 450		<b>88 617 686</b>	2.3.1 Technical cooperation with countries
330 535		4 204 906	<b>6 256 402</b>	2.3.2 Collaboration with countries and peoples in greatest need
615 736	355 025	4 329 562	<b>7 390 682</b>	2.3.3 Procurement services (excluding drugs, biologicals and contraceptives)
				2.3.4 Emergency and humanitarian action; relief and rehabilitation operation and emergency preparedness programme
361 172	353 121	2 748 077	<b>7 674 834</b>	
12 312 217	9 564 596	11 282 545	<b>109 939 604</b>	
				<b>2.4 Biomedical and health information and trends</b>
1 401 212	1 242 393	11 438 324	<b>25 497 468</b>	2.4.1 Epidemiology, statistics, trend assessment and country health information
4 953 259	1 098 691	19 410 192	<b>38 464 611</b>	2.4.2 Publishing, language and library services
6 354 471	2 341 084	30 848 516	<b>63 962 079</b>	
				<b>3.1 Organization and management of health systems based on primary health care</b>
416 894	61 335	1 643 733	<b>4 177 924</b>	3.1.1 Health systems research and development
	7 833 369	3 667 432	<b>35 282 540</b>	3.1.2 National health systems and policies
19 622 209	1 221 907	999 235	<b>34 514 579</b>	3.1.3 District health systems
20 039 103	9 116 611	6 310 400	<b>73 975 043</b>	

**Table VI** (continued)

Programme	Africa	The Americas	South-East Asia	Europe
<b>3.2 Human resources for health</b>				
3.2.1 Human resources for health	16 236 193	4 173 217	9 868 805	882 177
3.2.2 Fellowships	727 662		585 255	338 528
	16 963 855	4 173 217	10 454 060	1 220 705
<b>3.3 Essential drugs</b>				
3.3.1 Action programme on essential drugs	2 160 328	858 038	2 659 002	830 029
3.3.2 Procurement of drugs, biologicals and contraceptives	352 973			
	2 513 301	858 038	2 659 002	830 029
<b>3.4 Quality of care and health technology</b>				
3.4.1 Technology for health care	947 305	338 199	1 417 808	867 704
3.4.2 Drugs and biologicals, quality, safety and efficacy	33 464		339 429	
3.4.3 Traditional medicine	546 164	16 049	1 250 718	
	1 526 933	354 248	3 007 955	867 704
<b>4.1 Reproductive, family and community health and population issues</b>				
4.1.1 Reproductive health	3 927 417	2 219 300	2 828 601	644 407
4.1.2 Child health	98 742	23 240	114 260	517 423
4.1.3 Adolescent health	386 573	55 749	614 834	44 585
4.1.4 Women's health	669 815			165 005
4.1.5 Ageing and health	66 822	303 554	354 150	
4.1.6 Special programme of research, development and research training in human reproduction	12 180			
4.1.7 Occupational health	930 948	192 974	312 813	45 522
	6 092 497	2 794 817	4 224 658	1 416 942
<b>4.2 Healthy behaviour and mental health</b>				
4.2.1 Mental health	954 292	616 128	986 772	390 025
4.2.2 Substance abuse including alcohol and tobacco	179 684	296 806	414 105	1 012 301
4.2.3 Health promotion	1 814 598	2 010 696	2 263 263	962 551
4.2.4 Communications and public relations	2 469 863	238 189	412 931	778 341
4.2.5 Rehabilitation	747 589	1 265	387 428	
	6 166 026	3 163 084	4 464 499	3 143 218
<b>4.3 Nutrition, food security and safety</b>				
4.3.1 Nutrition	1 464 093	2 085 995	1 094 219	423 930
4.3.2 Food safety	48 197	875 434	389 437	45 000
	1 512 290	2 961 429	1 483 656	468 930



**Table VI** (continued)

Eastern Mediterranean	Western Pacific	Global and Interregional Activities	Total	Programme
				<b>3.2 Human resources for health</b>
6 751 387	6 679 913	4 616 751	<b>49 208 443</b>	3.2.1 Human resources for health
478 600	320 823	22 231	<b>2 473 099</b>	3.2.2 Fellowships
<b>7 229 987</b>	<b>7 000 736</b>	<b>4 638 982</b>	<b>51 681 542</b>	
				<b>3.3 Essential drugs</b>
1 571 795	1 900 735	1 432 319	<b>11 412 246</b>	3.3.1 Action programme on essential drugs
		696 676	<b>1 049 649</b>	3.3.2 Procurement of drugs, biologicals and contraceptives
<b>1 571 795</b>	<b>1 900 735</b>	<b>2 128 995</b>	<b>12 461 895</b>	
				<b>3.4 Quality of care and health technology</b>
2 501 481	1 406 765	4 216 575	<b>11 695 837</b>	3.4.1 Technology for health care
688 717		4 530 330	<b>5 591 940</b>	3.4.2 Drugs and biologicals, quality, safety and efficacy
42 817	1 231 553	870 695	<b>3 957 996</b>	3.4.3 Traditional medicine
<b>3 233 015</b>	<b>2 638 318</b>	<b>9 617 600</b>	<b>21 245 773</b>	
				<b>4.1 Reproductive, family and community health and population issues</b>
1 697 905	1 446 745	4 300 773	<b>17 065 148</b>	4.1.1 Reproductive health
40 084		316 915	<b>1 110 664</b>	4.1.2 Child health
95 184	136 582	608 951	<b>1 942 458</b>	4.1.3 Adolescent health
69 350		946 605	<b>1 850 775</b>	4.1.4 Women's health
140 711	664 589	886 724	<b>2 416 550</b>	4.1.5 Ageing and health
		1 237 932	<b>1 250 112</b>	4.1.6 Special programme of research, development and research training in human reproduction
398 152	418 601	442 977	<b>2 741 987</b>	4.1.7 Occupational health
<b>2 441 386</b>	<b>2 666 517</b>	<b>8 740 877</b>	<b>28 377 694</b>	
				<b>4.2 Healthy behaviour and mental health</b>
717 147	664 534	3 667 861	<b>7 996 759</b>	4.2.1 Mental health
80 768	1 162 180	3 074 257	<b>6 220 101</b>	4.2.2 Substance abuse including alcohol and tobacco
1 392 625	2 154 839	1 962 975	<b>12 561 547</b>	4.2.3 Health promotion
343 082	529 824	4 000 952	<b>8 773 182</b>	4.2.4 Communications and public relations
212 532	287 613	624 940	<b>2 261 367</b>	4.2.5 Rehabilitation
<b>2 746 154</b>	<b>4 798 990</b>	<b>13 330 985</b>	<b>37 812 956</b>	
				<b>4.3 Nutrition, food security and safety</b>
770 626	1 025 542	3 362 492	<b>10 226 897</b>	4.3.1 Nutrition
507 357	594 452	2 434 179	<b>4 894 056</b>	4.3.2 Food safety
<b>1 277 983</b>	<b>1 619 994</b>	<b>5 796 671</b>	<b>15 120 953</b>	

**Table VI** (continued)

Programme	Africa	The Americas	South-East Asia	Europe
<b>4.4 Environmental health</b>				
4.4.1 Water supply and sanitation in human settlements	5 283 338	6 318 325	3 216 654	74 367
4.4.2 Environmental health in urban development	711 101		487 359	910 273
4.4.3 Assessment of environmental health hazards	482 608	1 256 398	582 693	1 389 377
4.4.4 Promotion of chemical safety	142 136	11 700	458 950	
4.4.5 Incorporation of health concerns into environmental management	31 270		785 431	1 517 689
	6 650 453	7 586 423	5 531 087	3 891 706
<b>5.1 Eradication/elimination of specific communicable diseases</b>				
5.1.1 Global eradication or elimination	1 889 776	311 607	1 410 399	462 267
5.1.2 Regional eradication and elimination	2 103	44 962	431 633	27 389
	1 891 879	356 569	1 842 032	489 656
<b>5.2 Control of other communicable diseases</b>				
5.2.1 Vaccine-preventable diseases	1 156 953	3 039 374	1 544 446	907 782
5.2.2 Diarrhoeal and acute respiratory disease control	1 602 840	818 301	909 151	47 940
5.2.3 Tuberculosis	1 159 724	296 950	2 600 344	219 607
5.2.4 Emerging diseases including cholera and other epidemic diarrhoeas, zoonoses and antimicrobial resistance	3 122 231		1 182 164	25 470
5.2.5 Other communicable diseases	7 228 534	7 907 241	6 618 846	1 191 831
5.2.6 Control of tropical diseases	4 220 482	2 547 075	3 588 111	172 312
5.2.7 Special programme for research and training in tropical diseases	69 093		10 888	
5.2.8 Prevention of blindness and deafness	50 688		775 065	
	18 610 545	14 608 941	17 229 015	2 564 942
<b>5.3 Control of noncommunicable diseases</b>				
5.3.1 Control of noncommunicable diseases	1 371 298	2 170 690	2 678 453	947 202
	1 371 298	2 170 690	2 678 453	947 202
<b>6.1 Personnel</b>				
6.1.1 Personnel services and administration	2 246 699	775 584	481 022	1 357 045
	2 246 699	775 584	481 022	1 357 045
<b>6.2 General administration</b>				
6.2.1 Administrative support to technical programmes	11 271 484	3 297 637	2 449 642	6 589 165
	11 271 484	3 297 637	2 449 642	6 589 165
<b>6.3 Budget and finance</b>				
6.3.1 Budget and finance	3 436 917	1 383 677	552 736	1 971 989
	3 436 917	1 383 677	552 736	1 971 989
<b>Total</b>	154 051 900	80 958 498	96 379 700	48 243 184

**Table VI** (continued)

Eastern Mediterranean	Western Pacific	Global and Interregional Activities	Total	Programme
				<b>4.4 Environmental health</b>
3 976 843	1 361 136	4 300 160	<b>24 530 823</b>	4.4.1 Water supply and sanitation in human settlements
258 687	2 109 899	1 493 793	<b>5 971 112</b>	4.4.2 Environmental health in urban development
560 102	1 791 284	1 809 707	<b>7 872 169</b>	4.4.3 Assessment of environmental health hazards
240 068	63 780	2 704 058	<b>3 620 692</b>	4.4.4 Promotion of chemical safety
489 577		98 471	<b>2 922 438</b>	4.4.5 Incorporation of health concerns into environmental management
<b>5 525 277</b>	<b>5 326 099</b>	<b>10 406 189</b>	<b>44 917 234</b>	
				<b>5.1 Eradication/elimination of specific communicable diseases</b>
1 107 728	818 993	5 683 641	<b>11 684 411</b>	5.1.1 Global eradication or elimination
108 199		61 273	<b>675 559</b>	5.1.2 Regional eradication and elimination
<b>1 215 927</b>	<b>818 993</b>	<b>5 744 914</b>	<b>12 359 970</b>	
				<b>5.2 Control of other communicable diseases</b>
1 961 680	3 067 928	5 257 160	<b>16 935 323</b>	5.2.1 Vaccine-preventable diseases
1 030 512	1 007 619	1 902 229	<b>7 318 592</b>	5.2.2 Diarrhoeal and acute respiratory disease control
2 194 556	2 748 474	2 109 222	<b>11 328 877</b>	5.2.3 Tuberculosis
				5.2.4 Emerging diseases including cholera and other epidemic diarrhoeas, zoonoses and antimicrobial resistance
981 254	964 542	4 688 073	<b>10 963 734</b>	5.2.5 Other communicable diseases
1 843 915	3 740 143	4 714 455	<b>33 244 965</b>	5.2.6 Control of tropical diseases
2 562 806	4 156 174	12 658 929	<b>29 905 889</b>	5.2.7 Special programme for research and training in tropical diseases
		2 315 600	<b>2 395 581</b>	5.2.8 Prevention of blindness and deafness
333 405	173 900	708 199	<b>2 041 257</b>	
<b>10 908 128</b>	<b>15 858 780</b>	<b>34 353 867</b>	<b>114 134 218</b>	
				<b>5.3 Control of noncommunicable diseases</b>
211 345	2 293 227	7 644 290	<b>17 316 505</b>	5.3.1 Control of noncommunicable diseases
<b>211 345</b>	<b>2 293 227</b>	<b>7 644 290</b>	<b>17 316 505</b>	
				<b>6.1 Personnel</b>
738 058	480 581	10 154 048	<b>16 233 037</b>	6.1.1 Personnel services and administration
<b>738 058</b>	<b>480 581</b>	<b>10 154 048</b>	<b>16 233 037</b>	
				<b>6.2 General administration</b>
4 052 756	3 141 304	43 756 208	<b>74 558 196</b>	6.2.1 Administrative support to technical programmes
<b>4 052 756</b>	<b>3 141 304</b>	<b>43 756 208</b>	<b>74 558 196</b>	
				<b>6.3 Budget and finance</b>
964 986	824 115	14 692 457	<b>23 826 877</b>	6.3.1 Budget and finance
<b>964 986</b>	<b>824 115</b>	<b>14 692 457</b>	<b>23 826 877</b>	
<b>88 225 500</b>	<b>75 506 800</b>	<b>268 730 487</b>	<b>812 096 069</b>	<b>Total</b>

**Table VII**

**Financial Implementation by Category of Expenditure  
and Sources of Funds for 1998-1999**

*(expressed in thousands of US dollars and in percentages)*

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

Category of expenditure	Sources of funds									
	Regular Budget		Voluntary Fund for Health Promotion		United Nations sources		Other funds		Total	
		%		%		%		%		%
Salaries and common staff costs	377 262	46.5	70 892	12.6	8 837	18.8	63 423	20.6	520 414	30.1
Short-term staff	60 714	7.5	62 844	11.2	2 448	5.2	24 794	8.1	150 800	8.7
Consultants	16 368	2.0	16 722	3.0	1 462	3.1	12 238	4.0	46 790	2.7
Temporary advisers	11 081	1.4	21 285	3.8	761	1.6	5 499	1.8	38 626	2.2
Members of expert committees, study groups and scientific groups	503	0.1	11				1		515	
Governing body delegates and members	957	0.1					168	0.1	1 125	0.1
Travel on official business	26 299	3.2	18 744	3.3	682	1.5	6 861	2.2	52 586	3.1
Research contracts	2 194	0.3	25 459	4.5	316	0.7	36 815	12.0	64 784	3.8
Contractual services for translation, printing, data processing, aerial operations and other purposes	62 396	7.7	58 048	10.3	7 926	16.9	28 241	9.2	156 611	9.1
Supplies and materials, rental and maintenance of premises and equipment, stationery, utilities and communications	101 424	12.5	156 402	27.8	6 134	13.1	59 648	19.4	323 608	18.7
Acquisition of furniture and equipment	28 797	3.5	19 409	3.5	544	1.2	39 601	12.9	88 351	5.1
Acquisition and improvement of premises	285		184		(7)		2 623	0.9	3 085	0.2
Fellowships and other educational activities	57 700	7.1	16 434	2.9	1 652	3.5	7 759	2.5	83 545	4.8
Local cost subsidies	38 227	4.7	96 412	17.2	5 406	11.5	28 144	9.2	168 189	9.7
Direct financial cooperation	801	0.1	75		98	0.2			974	0.1
General project costs - The Americas	20 673	2.5	(47 559)	(8.5)			(15 837)	(5.2)	(42 723)	(2.5)
Other expenditure, including programme support costs and joint activities with the United Nations	6 415	0.8	46 869	8.4	10 626	22.7	7 157	2.3	71 067	4.1
<b>Total</b>	<b>812 096</b>	<b>100.0</b>	<b>562 231</b>	<b>100.0</b>	<b>46 885</b>	<b>100.0</b>	<b>307 135</b>	<b>100.0</b>	<b>1 728 347</b>	<b>100.0</b>

*Less:* Eliminations (see Statement I, Annex 2)

Transfers between technical cooperation programmes (16 307)

Programme support costs (48 971)

**Total - International Health Programme** 1 663 069

**Table VIII**

**Financial implementation of  
Director-General's and Regional Directors' Development Programme  
for 1998-1999**

(expressed in US dollars)

**GLOBAL AND INTERREGIONAL ACTIVITIES**

***Director-General's Development Programme***

Executive management	7 468
Renewing the Health-for-All strategy	292 844
WHO's 50th anniversary	213 653
Commission on macroeconomics and health meeting (Geneva, 9 - 10 December 1999)	171 956
Mediterranean centre for vulnerability reduction	147 553
Emergency humanitarian action	50 000
Study group on home care and nursing	47 467
World Health Day 1998: Safe motherhood	100 000
Consultative meeting on "Setting the WHO agenda for mental health" (Geneva, 28 - 29 April 1999)	40 703
World No-Tobacco day 1998 (Rio de Janeiro, Brazil, 31 May 1998)	49 538
Development of a new international growth reference for children	81 977
International thyroid tissue bank project	30 000
Buruli Ulcer	145 836
Consultation on the global surveillance, diagnosis and therapy of human transmissible spongiform encephalopathies (Geneva, 9 - 11 February 1998)	71 564
Orthopoxviruses (Smallpox and Monkeypox)	75 882
Follow-up of antiretroviral treatments for HIV/AIDS	39 563
Control of Tropical Diseases	386 708
	<b><i>Total - Global and interregional activities</i></b> 1 952 712

**AFRICA**

***Director-General's Development Programme***

National programme for traditional medicine (Benin)	30 000
	<b><i>Subtotal</i></b> 30 000

***Regional Directors' Development Programme***

Health activities for peace in Senegal and The Gambia	6 000
Ophthalmological training	2 400
Dangme-West district health insurance scheme (Ghana)	9 845
Community health initiatives (The Gambia)	10 110
Baseline survey on female genital mutilation (The Gambia)	10 000
Cholera control (Burkina Faso)	11 316
Emergency support (Democratic Republic of the Congo)	20 000
Emergency assistance for train catastrophe (Cameroon)	30 000
Assistance to refugees from Guinea-Bissau (Cape Verde)	10 000
Need for emergency supply of injection streptomycin (Kenya)	15 000
Financial support for yellow fever outbreak in Nimbow (Liberia)	11 900

**Table VIII** (continued)

Assistance to the handicapped in Tera (Niger)	3 800
Donation to Mahwalala Red Cross community clinic (Swaziland)	20 000
National review commission on health (Zimbabwe)	26 095
Assistance to cholera epidemic (Burundi)	2 720
National forum on collaboration with government and nongovernmental organizations (Cape Verde)	5 000
Support to health delivery service in Ga rural district (Ghana)	9 850
Support to community health initiative (Guinea)	10 313
Assistance to community health initiatives (Guinea)	100 000
Support to national consultant (Mozambique)	10 000
Assistance to Hlatikulu hospital (Swaziland)	12 451
Support to sick people in need (Zimbabwe)	10 000
Support to the 1st medicine thesis (Ndjamena, 9-13 February 1999)	10 000
Study tour, Faculty of health sciences (Niger)	4 125
Support to the medical school (Senegal)	20 000
Promotion of quality nursing/midwifery education and services (Swaziland)	54 887
Collaborative support for health with Emory University (Uganda)	10 500
Grant to the Dorothy Duncan Centre Braille library, Harare	30 000
Sponsorship to the Department of Dentistry, University of Zimbabwe	500
Support to train two optometry students in South Africa (Zimbabwe)	5 000
Support to work for the elderly (Lesotho)	9 822
Support to the national medical and pharmaceutical day (Côte d'Ivoire)	5 000
Support to Chiwarira hospital (Zimbabwe)	3 000
Study tour on basic sanitation (Zimbabwe)	6 844
Support for replacing immunization materials after depot fire outbreak (Rwanda)	34 959
Support to HIV perinatal transmission (The Gambia)	2 002
Emergency situation (Lesotho)	10 000
Fight against HIV/AIDS (Lesotho)	2 536
Assistance to the Society for Women against AIDS (Senegal)	10 000
HIV/AIDS theme group (South Africa)	20 997
Assistance to AIDS affected children and orphans (Zimbabwe)	1 003
Aids prevention and support organization (Zimbabwe)	1 000
Oral health conference (Lesotho)	9 563
National consensus conference on cerebral-spinal meningitis epidemics management (Algeria)	12 000
Meningitis epidemic (Democratic Republic of the Congo)	66 362
	<b>Subtotal</b> <u>676 900</u>
	<b>Total - Africa</b> <u>706 900</u>
 <b>THE AMERICAS</b>	
<i>Regional Directors' Development Programme</i>	
Support to International Society for Equity in Health	25 000
Participation in the PAS Code 75th Anniversary Commemoration (Cuba)	29 000
Support to countries affected by Hurricane Floyd	50 200
	<b>Total - The Americas</b> <u>104 200</u>

**Table VIII** (continued)**SOUTH-EAST ASIA*****Director-General's Development Programme***

Health telematics project (Bhutan)	80 517
Emergency assistance to East Timor (Indonesia)	51 883
	<b><i>Subtotal</i></b> 132 400

***Regional Directors' Development Programme***

Relief work to the people of Orissa affected by the super cyclone during October 1999 (India)	50 000
Support to East Timor operation in Dili, Darwin and Jakarta (Indonesia)	140 548
Emergency health assistance for victims of flood (Bangladesh)	10 798
Health telematics project (Bhutan)	1 254
Strengthening the infrastructure of the Institute of Community Health (Myanmar)	5 000
Development of evaluation indicators for health-promoting hospitals	6 287
Accreditation of institutions of higher education of health personnel to ensure academic standards and social accountability	7 765
Strengthening the activities of the Nursing Council (Nepal)	29 985
Development and establishment of a "Centre for combating counterfeit drugs" (Thailand)	20 015
Regional consultation on development of traditional medicine in South-East Asia (New Delhi, 14-17 September 1999)	13 548
Curriculum development and hands-on training in traditional medicine (Myanmar)	8 000
2nd scientific working group meeting on operational research in reproductive health	18 058
Participation in the WHO International Conference on Tobacco and Health (Kobe, Japan 14-18 November 1999)	10 005
Establishment of an electronic library and electronic connection between teaching institutes (Myanmar)	10 000
Biregional workshop on health impacts of haze-related air pollution	6 737
Airport rodent control research (Thailand)	19 180
Proposal for strengthening surveillance of noncommunicable diseases	25 800
"Strengthening smoking control programmes" initiated by national committee on smoking control (Indonesia)	11 621
Thalassaemia and health awareness campaign (Maldives)	20 999
	<b><i>Subtotal</i></b> 415 600
	<b><i>Total - South-East Asia</i></b> 548 000

**EUROPE*****Director-General's Development Programme***

Earthquake (Turkey)	56 254
	<b><i>Subtotal</i></b> 56 254

**Table VIII** (continued)

***Regional Directors' Development Programme***

Emergency relief - floods and sodium cyanide spill (Kyrgyzstan)	50 949
Humanitarian assistance, WHO office, Moscow	95 285
Humanitarian relief support to Kosovo refugees and humanitarian crisis in the South Balkans	146 441
Global poliomyelitis eradication (Turkey)	30 000
Control of typhoid fever outbreak in the Osh region (Kyrgyzstan)	11 320
Prevention and control of malaria (Kyrgyzstan)	12 563
Earthquake (Turkey)	23 746
Support to sustainable health system reforms in Armenia, Azerbaijan and Georgia	12 151
Interregional meeting on qualitative approaches to investigating maternal deaths (Copenhagen, 13-15 December 1999)	2 545
	<b>Subtotal</b> 385 000
	<b>Total-Europe</b> 441 254

**EASTERN MEDITERRANEAN**

***Regional Directors' Development Programme***

Intercountry meeting on computer software (Alexandria, Egypt, 26-28 September 1999)	16 300
Regional initiative on national health accounts (Tunisia, 25-29 November 1999)	30 563
General research projects	55 000
Burden of disease study (Lebanon)	134 734
Burden of diseases and cost effectiveness meeting (Morocco, 1-4 December 1999)	38 137
Support to Medical University of Gezira (Sudan)	23 866
Health systems research study (Iran)	1 000
Quality control laboratory (Iraq)	20 576
36th International conference on medicine's history	1 000
17th Conference on "Future health care in Egypt" (Alexandria, 13-15 April 1999)	1 500
Support for the repair of hospitals (Iraq)	18 050
Supplies and equipment for environmental and occupational health (Iran)	110 000
1st Regional cystic fibrosis conference and 7th Jordan Paediatric Society Conference (Jordan)	500
Conference of Jordan Society of Anaesthesia Intensive Care (Amman, 12 - 14 May 1999)	2 000
16th Meeting of Egyptian Society of Surgeons	3 000
Meeting on health-for-all policy (Alexandria, 19-21 July 1999)	31 890
Private medical education (Pakistan)	14 081
Medical education workshop (Lebanon, 5-6 May 1999)	6 293
Arabization of medical education "Embriology and anatomy of nervous system"	35 352
16th Summer meeting of the Egyptian Society of Surgeons (Cairo, 23-25 September 1998)	1 474
Development of technical guidelines and codes on health technology	57 353
26th Pharmaceutical Conference (Cairo, 8-10 December 1999)	1 500
Health laboratory technology support	8 214
Laboratory publications (plasma fractionation and ethics manual)	17 601
Regional meeting of directors of blood transfusion services (Teheran, 16-20 October 1999)	14 016
Intercountry meeting on follow up achievements of the safe motherhood initiative in EMR (Sana'a, 3-6 May 1998)	21 013



**Table VIII** (continued)

Intercountry workshop on development national capacity in safe motherhood surveillance and neonatal health (Cairo, 26-29 April 1999)	8 734
Contribution to Neonatal Society (Iran)	558
Conference on guidelines for adolescent health education (Istanbul, Turkey, 2-4 September 1998)	1 470
12th medical conference (Kuwait City, 18 - 22 October 1999)	6 000
Seminar on public health and occupational medicine (Karachi, 17 - 19 December 1999)	3 000
Meeting of the Islamic Organization (Istanbul, Turkey, 29 August - 1 September 1998)	6 000
World No-Tobacco Day	500
WHO 50th anniversary exhibit (Geneva, 11-15 May 1998)	5 570
World Health Day 1998	26 141
"Health-for-All" Newsletter (Lebanon)	4 000
4th Gulf Water conference (Manama, 13-18 February 1999)	1 500
Demonstration project on sea water desalination module using solar and electrical energies	10 000
Joint WHO/AAEA workshop on medical preparedness and coordination meeting (Cairo, 19-23 November 1999)	33 414
Tuberculosis control strategy of directly observed treatment (Cairo, 5-7 December 1998)	1 500
3rd Arabic Conference on Tuberculosis (Amman, 7-9 November 1999)	1 500
Support for outbreak of meningitis (Sudan)	69 203
Training activity for focal points from the populous countries	20 670
Training manual on communicable disease surveillance	5 000
4th IEA Regional scientific meeting (Tunis, 18-21 November 1998)	1 991
Conference of International Federation for Infection (Cairo, 10 - 13 September 1999)	2 320
EMRO/TDR/CTD small grants scheme for control oriented research in tropical diseases	99 939
Project for cutaneous leishmaniasis	30 777
Community-based preventive programme for oral health for pre-school children in Damascus	13 200
	<b>Total - Eastern Mediterranean</b> 1 018 000

**WESTERN PACIFIC****Director-General's Development Programme**

Emergency assistance to Taiwan (China)	50 000
	<b>Subtotal</b> 50 000

**Regional Directors' Development Programme**

Training courses to strengthen disaster preparedness and management (China)	55 000
Courses on human emergency management (Philippines)	69 300
Emergency relief assistance	46 000
Symposium on Health Informatics and Telematics and the 9th World Congress on Medical Informatics (Seoul, 17-22 August 1998)	35 200
Triple blood bags and screening test kits (Philippines)	22 200
4th International Symposium on Biological Monitoring in Occupational and Environmental Health (Seoul, 23-25 September 1998)	13 100
Drinking water surveillance (Cambodia)	99 700

**Table VIII** (continued)

Underground water supply system of a high school (Papua New Guinea)	16 700
Supplementary immunization and surveillance activities of poliomyelitis eradication	150 000
X-ray films, tuberculin and vehicle for tuberculosis control (China)	173 900
Dengue control (Cambodia)	49 900
Cholera, dengue and viral hepatitis control	208 600
Meeting on the control of communicable diseases in Guangdong, Heinan, Hong Kong and Macao (Hong Kong, China, 2-4 June 1998)	18 600
3rd SEAR/WPR biregional meeting on control of communicable diseases (Chiang Mai, Thailand, 18-20 November 1998)	9 500
Malaria control (Cambodia)	84 500
	<u>Subtotal</u> 1 052 200
	<b>Total - Western Pacific</b> <u>1 102 200</u>
<b>Total Director-General</b>	2 221 366
<b>Total Regional Directors</b>	<u>3 651 900</u>
<b>Grand total</b>	<u><u>5 873 266</u></u>

## GLOSSARY OF BUDGETARY AND FINANCIAL TERMS

<b>Term</b>	<b>Definition</b>
<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>Allocation</i>	Authorization of extrabudgetary funds for expenditure.
<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 Member States on the basis of the Health Assembly Appropriation Resolution, using the United Nations scale of assessments, modified to take into account the different membership of WHO. After application of credits from the Tax Equalization Fund, credits due to Members under the financial incentive scheme and casual income appropriated by the Health Assembly to reduce contributions, the resulting net assessments are payable by Member States.
<i>Budget</i>	A plan in financial terms for the carrying out of a programme of activities in a specified period.
<i>Effective Working Budget</i>	The effective working budget represents the approved regular budget, after the transfers between appropriation sections and application of the exchange rate facility, against which the Director-General is authorized to incur obligations.
<i>Exchange Rate Facility</i>	This facility was established by the Health Assembly to cover losses on foreign exchange in order to maintain the level of the regular budget so that the activities that are represented by the programme budget approved by the Health Assembly may be carried out, irrespective of the effect of currency fluctuations. The Health Assembly approves the limit within which the facility must operate. The facility operates by generating a charge against available casual income to finance the net additional costs of the regular budget resulting from differences between the rates of exchange used to calculate the budget and the United Nations accounting rates of exchange prevailing during the financial period. This mechanism is applied to the currencies of the respective countries of location of the regional offices and headquarters. Similarly, any net savings resulting from more favourable accounting rates of exchange in relation of these currencies are transferred to casual income.
<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.
<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.

<b>Term</b>	<b>Definition</b>
<b><i>Internal Borrowing</i></b>	A mechanism by which, after the working capital fund has been fully utilized, otherwise available funds are used to finance regular budget implementation pending the receipt of assessed contributions. Internal borrowings are repaid when Member States pay their assessed contributions.
<b><i>Obligation</i></b>	A commitment or undertaking creating a liability against the resources of the Organization.
<b><i>Unliquidated obligation</i></b>	That part of an obligation which has not been paid, i.e., an outstanding liability.
<b><i>Savings on Unliquidated Obligations</i></b>	The balance remaining from within an unliquidated obligation after payment of all liabilities under that obligation.
<b><i>Unobligated Balance</i></b>	That part of an appropriation or allocation which has not been obligated.
<b><i>Unobligated balance of Regular Budget appropriations</i></b>	The unobligated regular budget appropriation balance 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 unobligated funded balance of the regular budget appropriations is credited to casual income. The unfunded part of the regular budget appropriation unobligated balance is credited to casual income only when the underlying outstanding assessed contributions are collected.
<b><i>Working Capital Fund</i></b>	A fund established by the Health Assembly consisting of regular budget funds set aside for that purpose and used to finance regular budget implementation pending receipt of assessed contributions. Withdrawals from the fund are reimbursed when Member States pay their assessed contributions.

**REPORT OF THE EXTERNAL AUDITOR ON  
THE ACCOUNTS OF THE WORLD HEALTH  
ORGANIZATION FOR THE FINANCIAL  
PERIOD 1 JANUARY 1998 TO  
31 DECEMBER 1999**



# **REPORT OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE WORLD HEALTH ORGANIZATION FOR THE FINANCIAL PERIOD 1 JANUARY 1998 TO 31 DECEMBER 1999**

## **INTRODUCTION**

1. The audit of the World Health Organization (WHO) was assigned to the Auditor-General of the Republic of South Africa for the 1996-1997 and 1998-1999 bienniums in terms of Resolution WHA48.18 of the Forty-eighth meeting of the World Health Assembly.

## **AUDIT OBJECTIVE AND TERMS OF REFERENCE**

2. The scope of the audit in the UN environment is somewhat wider than that associated with many private sector bodies. It has as its objectives both the expression of an opinion on the financial statements of the World Health Organization and the compliance of transactions with the Financial Regulations and Legislative Authority, as well as reporting on the matters set out in Article XII of the Financial Regulations and the Additional Terms of Reference Governing the External Audit of the World Health Organization set out in the Appendix thereto.

## **AUDIT APPROACH AND MODUS OPERANDI**

3. The audit was conducted in conformity with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. Audit work was carried out at headquarters, regional and country offices and encompassed, *inter alia*, the following:
  - A strategic planning phase to ensure an effective, efficient and comprehensive audit.
  - The follow-up of certain matters which had previously been reported.
  - Substantive and analytical procedures to test transactions and balances.
  - Procedures to test the compliance of transactions with the Financial Rules and Regulations.
  - Value added work including a follow-up computer audit of general controls and a review of treasury and cash management.
4. The audit for the 1998-1999 biennium also included an examination of the accounts of the Onchocerciasis Control Programme, the African Programme for Onchocerciasis Control, the Trust Fund for the Special Programme in Tropical Diseases, the International Agency for Research on Cancer, the International Computing Centre and the Trust Fund for the United Nations Programme on HIV/AIDS.
5. The funds advanced by the United Nations Development Programme and the United Nations Population Fund were subject to audit to the extent that they were material to my examination of the accounts of the World Health Organization.

## **PURPOSE OF THE REPORT**

6. The purpose of this report is to bring to the attention of the World Health Assembly, at an appropriate level of aggregation, important matters relating to the audit work conducted in the 1998-1999 biennium. My findings are reported under the following headings:
  - Communication and accountability
  - Financial situation
  - Management matters and reform
  - Financial statements and accounting
  - Regional and country offices
  - Treasury and cash management
  - General controls in the computerised environment
  - Environmental management

## COMMUNICATION AND ACCOUNTABILITY

### **Audit Committee**

7. In pursuance of the initiative taken by the Executive Board to establish an Audit Committee at its 103rd session in resolution EB103.R8, the inaugural meeting took place on 21 January 2000.
8. The Audit Committee provides a unique forum for a frank and constructive working relationship *inter alia* between the External Auditor and representatives of the Executive Board. It is submitted that the matters for discussion can be determined on a needs basis for each meeting and that the External Auditor should be empowered to raise any matter that was provided for in the mandate of the Audit Committee, at his or her discretion. The members of the Audit Committee have unique responsibilities and in that capacity, a need might arise for direct communication between them and the External Auditor.
9. I look forward to a constructive and fruitful relationship with this important committee in furthering the achievement of improved accountability.

### **Audit Steering Committee**

10. Further to our communication with the governing bodies, regular meetings were held with senior members of the Secretariat. This contributed significantly to strengthening the cooperation and interface between the external audit team and the Secretariat, which in turn improves the efficiency and quality of the audit. The Audit Steering Committee provides a forum where key issues with regard to audit matters can be communicated at a functional level and at an early stage. This provides for due process and the timely implementation of follow-up actions where required, as well a forum in which different viewpoints can be exchanged constructively. The initiative of the Director-General to establish such a committee is appreciated.

### **Internal audit and oversight**

11. During the financial period, liaison with the Office of Internal Audit and Oversight (IAO) continued and reliance was placed on the audit work performed by IAO to the extent that it related to the audit objectives and focus of the external audit mandate.

### **Reporting**

12. The findings from the audit were thoroughly discussed with the management concerned and a high level of cooperation was experienced. This included a three tier approach to the reporting process as outlined below, which has proved to be timely and effective:
  - Informal queries were raised at an operational level and included verbal and written communication.
  - Formal management letters, detailing our findings and recommendations, were directed to the regional directors, directors of related entities and the Executive Director in respect of the audits completed at regional offices, related entities and headquarters respectively.
  - A draft version of this report was submitted to the Director-General to afford her the opportunity to provide comments before transmission to the President of the World Health Assembly.
13. Furthermore, the external audit report will be presented to the Audit Committee for deliberation prior to the Fifty-third World Health Assembly.

## FINANCIAL SITUATION

### **Internal borrowing**

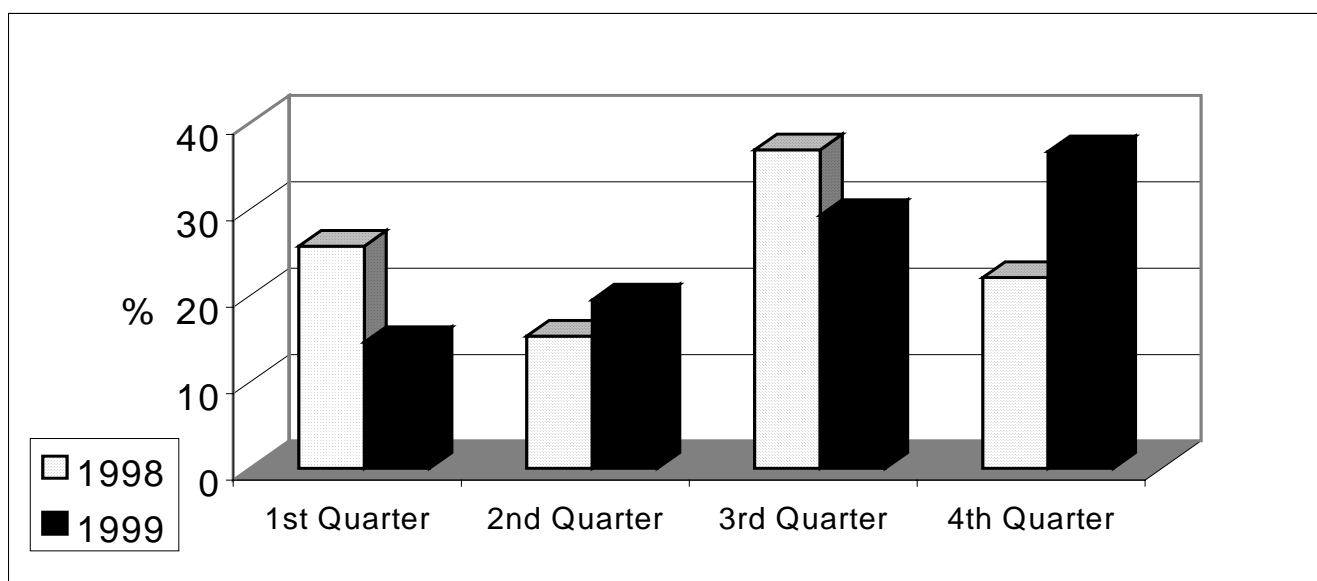
14. In accordance with the Financial Regulations, the deficit on the regular budget of USD 68 492 201 (1996-1997: USD 97 578 194) was financed through advances from the Working Capital Fund to an amount of USD 5 381 513 (1996-1997: USD 4 632 071) and the remainder of USD 63 110 688 (1996-1997: USD 92 946 123), was secured against the internal borrowing facility.



**Outstanding assessed contributions**

15. The trend in the level of outstanding contributions was reported on in the interim to the Fifty-second World Health Assembly and the effect that the arrears of assessed contributions may have on the work programme and the financial situation.
16. While the trend over the last year has indicated an improvement, the importance of the timely payment of contributions is inescapable and members should continue to be alert to the potential effects of late payment, some of which are discussed in the paragraphs which follow.
17. The assessed contributions for the 1998-1999 biennium amounted to USD 837 502 000. These were due and payable in two equal installments of USD 418 751 000 on the first day of the 1998 and 1999 years. Amounts of USD 326 377 216 (78 per cent) and USD 354 195 332 (85 per cent) had been collected in respect of the 1998 and 1999 assessments at 31 December 1998 and 1999 respectively. This shows an improvement of 7 per cent in the collection rate achieved in 1999 over 1998.
18. However, approximately 59 per cent of the assessed contributions due on 1 January 1998 were received in the last six months of 1998, whilst 66 per cent of the assessed contributions due on 1 January 1999 were received within the corresponding period in 1999. The amount collected within each quarter of the 1998 and 1999 years is indicated in figure 1 as a percentage of the total amount assessed for the respective year.

Figure 1: Assessed contributions received per quarter during the 1998-1999 biennium as a percentage of the total assessed amount



19. A comparison of the regular budget's cumulative funds available, obligations established and disbursements made during the 1998-1999 biennium is presented in figure 2, while table 1 in its turn, provides an analysis of the total obligations established and the balance of unliquidated obligations at 31 December 1999 per office.

Figure 2: Cumulative funds available, obligations established and disbursements made during the 1998-1999 biennium

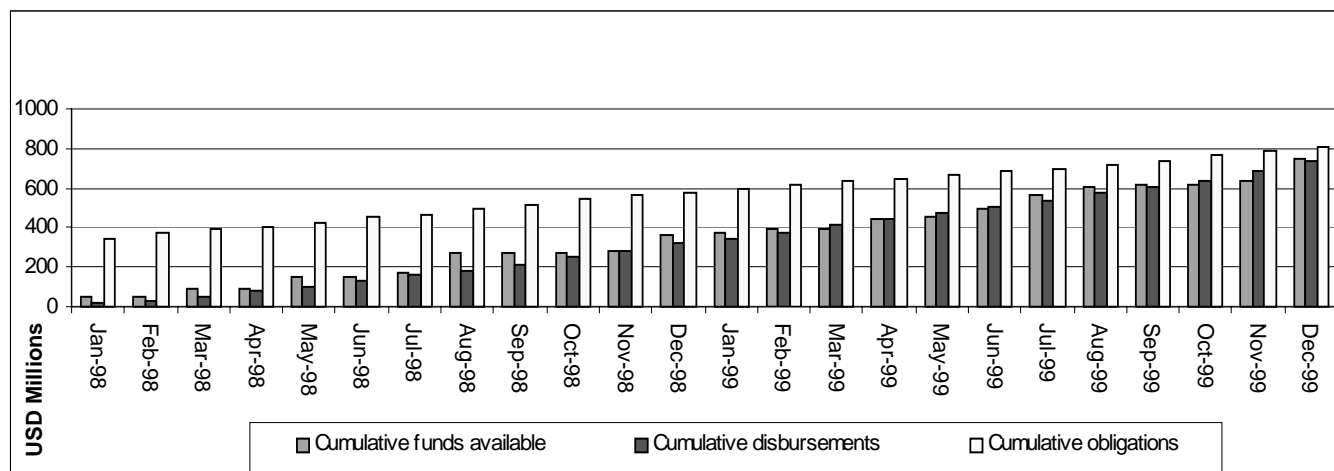


Table 1: Analysis of the total obligations established and the balance of unliquidated obligations at 31 December 1999 per office

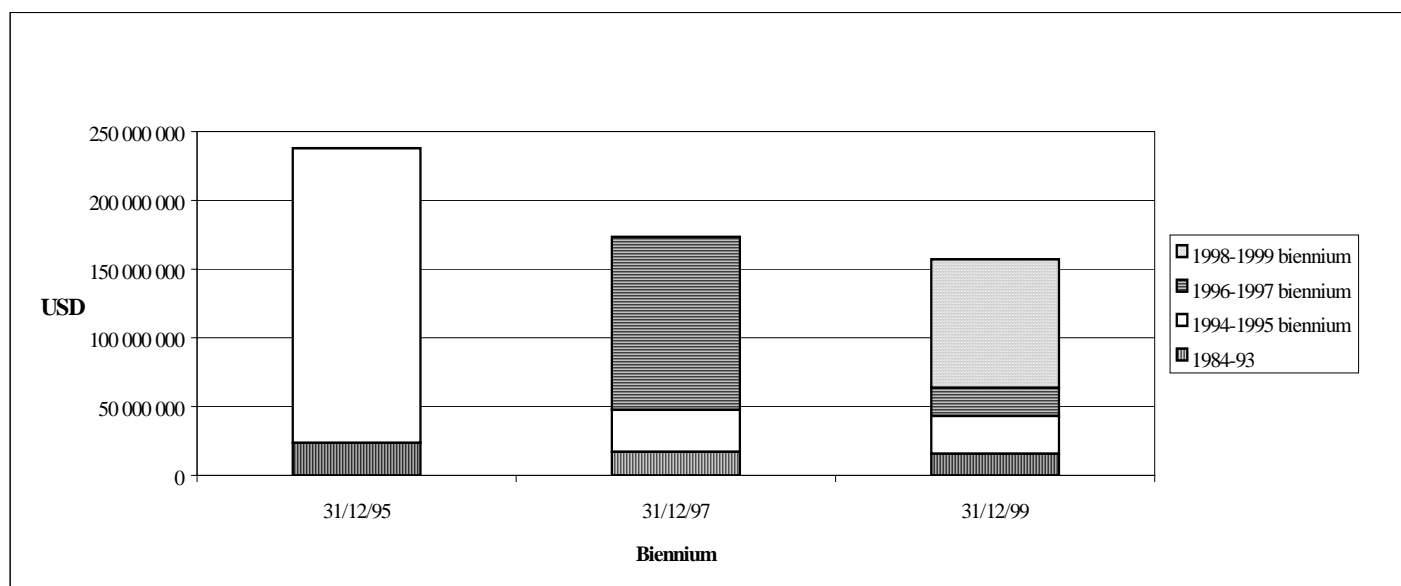
Office	Total obligations established USD	Unliquidated obligations USD	Unliquidated obligations as a percentage of total unliquidated obligations	Unliquidated obligations as a percentage of total obligations established
AFRO	154 051 900	14 149 203	18	9
AMRO	80 958 498	2 827 362	4	3
EMRO	88 225 500	11 273 249	14	13
EURO	48 243 184	3 328 028	4	7
SEARO	96 379 700	15 977 905	21	17
WPRO	75 506 800	11 740 672	15	16
HQ	268 730 487	18 820 515	24	7
<b>TOTAL</b>	<b>812 096 069</b>	<b>78 116 934</b>	<b>100</b>	<b>10</b>

20. The effect of late payments on the financial situation and programme implementation is influenced by various financial and technical variables. During the 1998-1999 biennium and as reflected in figure 2, the cumulative disbursements exceeded the cumulative funds available in the months of November, 1998 and of March, May, June, October and November, 1999 and the internal borrowing facility was used in order to fund the World Health Organization's activities after depletion of the Working Capital Fund. A significant deterioration in the collection of assessed contributions in the future could potentially contribute to the following:

- The cumulative disbursements could exceed the cumulative funds available.
- The non-implementation of planned activities.

21. Figure 3 indicates the increase in the arrears of assessed contributions over the past three bienniums and the efforts made to collect these arrears should be encouraged.

Figure 3: Arrears in assessed contributions



## MANAGEMENT MATTERS AND REFORM

### *Programme implementation, monitoring and evaluation*

22. In prior years, the possible areas for improvement and planned developments to improve programme implementation, monitoring and evaluation were reported to the World Health Assembly. The follow-up work carried out during the final audit indicated that progress has been made in this regard. The Director-General has indicated that this has focused on the key elements of strategic programme budgeting, monitoring and evaluation processes and includes *inter alia* the following:

- Standardised business rules and procedures for programme implementation and monitoring were developed and implemented from January 2000. These included the following:
  - Operational work plans in all clusters and regions.
  - Work plans linked to expected results in the Programme Budget 2000-2001.
  - A common minimum data set, including benchmarks and performance indicators.
  - The activity management system (AMS) will serve as the basis for preparing and monitoring work plans where it is available.
  - Progress towards the achievement of expected results will be monitored technically and financially on a continuous basis.
- As from January 2000, all obligating documents require an AMS code in order to be accepted for processing, thus enabling the Secretariat to systematically account for its financial transactions in terms of programme outputs and products for the first time. This is a prerequisite for moving towards an integrated planning process for the 2002-2003 biennium, based on total resources.
- Guidelines for preparing the Proposed Programme Budget 2002-2003 have been prepared with the object of subsequent evaluation in mind.
- A project to develop a unified system for programme evaluations. In the interim, certain areas were selected by the Director-General where in-depth evaluations will be performed during 2000.
- A fully integrated planning, monitoring, evaluation and reporting system will be operational in the 2002-2003 biennium.

### ***Revision of the WHO Manual***

23. The WHO Manual, which outlines the administrative practices and procedures of the Organization has become progressively outdated. This has been recognised by management and the responsibility for the updating of various sections is vested in the different programmes and departments concerned.
24. During 1999, requests were made by the Budget and Management Reform Services at headquarters to programmes and departments for a special updating effort and a Working Group on the WHO Manual also met on four occasions. However, by March 2000 progress had been limited and no detailed timetable for the revision process was available.
25. The Secretariat has indicated that it expects to have made considerable short-term improvements by the end of 2000, but recognises that more fundamental change will follow the wider reform of the World Health Organization in both financial and human resource management.

## **FINANCIAL STATEMENTS AND ACCOUNTING**

### ***Disclosure in the Financial Report and Audited Financial Statements***

26. As noted in the report to the Fifty-first World Health Assembly, compliance with the United Nations System Accounting Standards has contributed to the significant improvement in the disclosure and understandability of the financial statements. The continued efforts by the Secretariat to improve the presentation of financial information, as reflected in the Financial Report and Audited Financial Statements for the 1998-1999 biennium, is to be commended.

### ***Procurement***

27. In the Interim Report of the External Auditor to the Fifty-second World Health Assembly it was reported that when goods are delivered to headquarters, a receiving report is completed confirming the receipt of the goods. However, when goods are delivered to the regions, the receiving report is kept at the regional office concerned. This creates a risk that payments could be made in respect of goods which have not been received.
28. This matter was subject to follow-up during the final audit and it was observed that this shortcoming had not yet been addressed either through forwarding the receiving reports to headquarters as evidence that goods were received, or by an alternative compensating control.
29. The Secretariat has indicated that although it is expected that the shortcoming will be eliminated in the longer term, compensating controls will be implemented in the interim.

### ***Recording and valuation of inventory***

30. In compliance with the revised United Nations System Accounting Standards, the World Health Organization disclosed the value of non-expendable equipment, including furniture, computers and other office equipment and motor vehicles for the first time, in a note to the financial statements for the 1996-1997 biennium. The United Nations System Accounting Standards provide that the method of valuation (cost or valuation) should be clearly stated in a note to the financial statements. The World Health Organization applies the cost method. As mentioned in the previous report, certain shortcomings, detailed below, were identified which the Secretariat undertook to address in a realistic timeframe.
31. Inventory items are recorded in various independent inventory systems by the respective regional and country offices as well as related entities after being charged to expenditure in full on purchase. Audits conducted during the 1998-1999 biennium, revealed certain weaknesses in the internal controls relating to these systems. It is submitted that control would be significantly strengthened by the introduction of an integrated inventory system, that can be reconciled with the accounting records. The Secretariat has indicated that in the short-term, procedures for recording inventory will be tightened in order to support reconciliation with the accounting records and that integrated systems are being considered in the long-term.

32. Although the method of valuation was communicated by headquarters, there was no clear definition of cost and consequently regions have applied different interpretations. The situation was further complicated by the need to value inventory items purchased prior to the revision of the accounting standards.
33. The Secretariat has undertaken to remind Regional Offices of the detailed provisions for the calculation of costs. It is recommended that these be carefully reviewed to ensure that adequate guidance is provided to ensure consistency. For example, the following may be considered:
- Whether the obligation or the disbursement should be used in determining cost.
  - Whether transport and insurance expenses should be included in cost.
  - The valuation method to be used where inventory items have been obtained for no consideration or where it is impossible to determine the original cost.

#### ***Accounting policies in respect of investments***

34. Bearing in mind the continued efforts by the Secretariat to improve the presentation of financial information, it is recommended that the accounting policies be revisited to give effect to the realisation of foreign exchange gains and losses and the amortisation of premiums and discounts within the ambit of the United Nations System Accounting Standards. The effects of the recommended changes in accounting policies are illustrated below:
- Long-term investments have been made in bonds for the staff health insurance fund to the value of CHF 56,8 million. The book value of the investment is reflected as USD 41,5 million, which is based on the exchange rate on the date of purchase. A more appropriate accounting treatment could be to apply the exchange rate applicable at the last day of a particular financial period. The application of this accounting policy would mean that dependent on the change in the exchange rate, unrealised gains or losses will be recorded. These unrealised gains and losses do not represent actual gains or losses, but rather show what the position would be if the securities concerned were sold at the last day of a particular financial period. If the exchange rate at 31 December 1999 is applied, the investment would be shown as USD 35,8 million. The difference of USD 5,7 million represents an unrealised foreign exchange loss that is currently not accounted for as such.
  - Certain long-term financial instruments such as bonds, were purchased for the staff health insurance fund at either a premium or a discount on their nominal value. The current investment strategy is to hold such bonds to maturity and they are reflected at purchase price in the accounting records, as a result of which neither the premiums nor the discounts are accounted for. Had they been accounted for, an unrealised net discount of USD 3,1 million would have been reflected in the accounting records at 31 December 1999.

The Secretariat has advised that since these investments are part of the staff health insurance fund, a long-term view is taken.

#### ***Provision for delays in assessed contributions***

35. A provision for delays in the collection of assessed contributions amounting to 100 per cent of the assessed contributions outstanding at the biennium end has been made in the financial statements as at 31 December 1999. Whilst we are in agreement with the accounting policy to provide for the delays in assessed contributions, the level of 100 per cent appears to be conservative and even unrealistic, in terms of past experience.
36. Although the ruling United Nations System Accounting Standards make allowance for a full provision, they were amended in October 1999 to encourage revision and the Secretariat has undertaken to review the level of the provision in the 2000-2001 financial period.

#### **REGIONAL AND COUNTRY OFFICES**

37. The importance of the regional and country offices is underscored by the level of the budgeted expenditure which made up approximately two thirds of the total regular budget during the 1998-1999 biennium. An increased focus was placed on the work performed by country offices and it appeared overall, that while many country offices were taking steps to develop and implement improved systems and procedures, there

was often a low level of coordination amongst one another on aspects which appear to lend themselves to transversal solutions. It is expected that further audit work will be carried out in this regard in the future.

### **Plans of action**

38. The reviews of the plans of action indicated that while some were of a particularly high standard, certain instances were identified where they had not been compiled in a timely manner. The comprehensiveness of information pertaining to, *inter alia*, the setting of specific programme targets, the estimation of the staff time required and the identification of indicators for monitoring, could also be improved. The Secretariat has indicated that the planned introduction of a fully integrated planning, monitoring, evaluation and reporting system is expected to bring a noticeable improvement in this area in 2000-2001.

### **Allotment control and review of unliquidated obligations**

39. The improvement in allotment control was reported to the Fifty-second World Health Assembly and compliance with the relevant procedures was again subjected to audit work at regional offices. Although appropriations were not exceeded, the audit procedures conducted in this regard revealed cases where some allotments were temporarily exceeded by obligations.

40. The audits at regional offices included a review of the unliquidated obligations recorded in the accounts of the World Health Organization for the 1996-1997 biennium. The net savings that relate to the settlement of unliquidated obligations, disclosed at the end of the previous biennium, are recorded and disclosed in the financial statements as savings on unliquidated obligations. To allow for comparison, the net savings recorded in respect of the unliquidated obligations disclosed at the end of the previous two bienniums for the regular budget is provided.

41. As at 31 December 1997, the balance of unliquidated obligations for the Regular Budget amounted to USD 83 147 148. The savings recorded against that balance as at 31 December 1999 amounted to USD 17 732 008, representing 21 per cent of the balance. The comparative figures for the 1994-1995 biennium reflected unliquidated obligations of USD 95 636 523 and savings of USD 15 702 049 as at 31 December 1997, representing 16 per cent of the total.

42. Whilst the balance of unliquidated obligations is decreasing, the comparison between the savings on unliquidated obligations for the 1996-1997 biennium with the savings of the 1994-1995 biennium, reveals a 5 per cent increase in the savings on unliquidated obligations of USD 2 029 959.

43. Regular reviews conducted at the regional offices during the biennium revealed instances where obligations previously established, were cancelled as they were no longer required. These regular reviews of unliquidated obligations and the cancellation of individual obligations that are no longer required are encouraged. It is recommended that regional offices continue to be reminded that obligations established at the end of a biennium and disclosed in the financial statement must represent valid liabilities. The Secretariat has advised that in the review of the Financial Regulations and Rules underway, focus is being given to strengthening measures for the accounting and management of unliquidated obligations.

### **Local cost subsidies**

44. It is a requirement that in instances where local cost subsidies are paid, the relevant governmental financial reports should be received and certified by the World Health Representative or the technical officer at the regional office. At the end of the 1996-1997 biennium, it was reported to the Fifty-first World Health Assembly that the audit tests of regional office's activities revealed a significant number of outstanding statements of expenditure that prevents proper accountability in respect of local cost subsidies which have been paid by the regional offices.

45. During the 1998-1999 biennium various initiatives were taken by the regional and country offices to improve accountability in respect of local cost subsidies and to obtain the outstanding financial reports in a timely manner. The continued strengthening of procedures to actively follow-up on outstanding financial reports and to improve accountability in respect of local cost subsidies paid by the regional and country offices is encouraged. The cooperation of recipients remains imperative in ensuring the success of initiatives taken in this regard.

### **Fellowships**

46. Utilisation and termination reports are the key elements in evaluating the success of the fellowship programme. It was again noted that regional and country offices did not conduct the follow-up and monitoring procedures in accordance with the WHO Manual since a significant number of fellows did not submit the required reports during and at the end of their fellowships. However, the Secretariat noted that fellows who are recommended by Member States are responsible to provide reports and there is therefore a shared responsibility between the Secretariat and fellows in this regard.

### **Personal accounts**

47. The total balance of the personal accounts has increased since 31 December 1997. The increase may be partially attributed to inadequate follow-up actions by regional offices, while the follow-up process was further hampered by field employees not always responding in a timely manner to requests for documentation by regional offices.

### **Asset management**

48. Various recommendations were made to improve asset management at regional and country offices. Recommendations made included, *inter alia*, the following:

- Inventory listings should be updated within a reasonable period after the issue of inventory items.
- The monitoring of vehicle usage should be improved.
- Obsolete vehicles and inventory should be disposed of in a timely manner.

### **Cash and bank management**

49. The total amount of cash on hand, at banks and in transit amounted to approximately USD 52,6 million at 31 December 1999, of which approximately USD 36,5 million related to imprest accounts.

50. The audit of the imprest accounting system included a review of the internal control measures and a scrutiny of the imprest accounts, thereby determining whether they were properly prepared, reviewed and recorded in accordance with the prescribed requirements.

51. Certain imprest accounts were maintained with balances that were either in excess of, or inadequate to meet the operational needs at the date that the reviews were conducted and recommendations were made regarding the formal arrangements in this regard.

52. Although certain imprest accounts were identified during the biennium where the respective reconciliations and journalisations were not performed in a timely manner, the improvement at the end of the biennium has been noted and regional and country offices are encouraged to continue with their efforts in this regard.

53. Recommendations were also made regarding the closure of inactive imprest accounts.

### **Human resource management**

54. Key findings pertaining to human resource management included, *inter alia*, the following:

- Country offices did not have formal training programmes for the development of the skills and potential of their personnel, funds were not budgeted and training appeared to be inadequate.
- The prescribed performance evaluations of the work performed by consultants were not conducted on the termination of their contracts in many instances. This is likely to detract from effective decision-making especially with regard to the further use of these services.
- The use of short-term staff presents a largely similar situation and it may be useful to extend the provisions relating to consultants with regard to performance evaluation to include this category of staff as well.

The Secretariat has provided the assurance that the review of human resources policies and practices that is currently in progress will also address the above-mentioned matters.

### ***Operational cost of country offices***

55. The Secretariat is to be credited with the fresh look which is being taken in respect of country offices and it is noted that one of the strategic objectives of the World Health Organization is to invest more funds in technical projects rather than on operational matters. The relationship between budgeted operational cost and the total regular budget for some country offices was nevertheless still expected to increase from the 1996-1997 biennium to the 2000-2001 biennium. A norm or benchmark relating to a realistic level of operational cost at country offices to the total regular budget allocation is not currently available and could perhaps be attributed to differing individual circumstances. It is suggested that it may be a worthwhile exercise to compare the levels at various country offices to encourage management by exception, bearing in mind that the regular budget allocation is but one part of the resources available.

## **TREASURY AND CASH MANAGEMENT**

### ***Scope and approach***

56. A high-level risk based review was performed on the more significant treasury and cash management functions. The treasury processes were reviewed against generally accepted good practice in three main categories, namely risk management, high-level operational control and low-level operational control. A combination of observation, inquiry and limited compliance testing was performed during the review.

### ***The Secretariat's initiatives***

57. The Secretariat has recently identified the need to re-engineer the treasury function in order to improve the return on investments within certain risk parameters and has taken the following steps:

- Discussions were held with the bankers on the Advisory Investment Committee to obtain their views on future strategy, policy and mechanisms to monitor the performance of especially the external asset managers.
- Following a recent actuarial study of the staff health insurance scheme, asset-liability modeling is being considered to align future liabilities with investment activities.

In addition, the Secretariat has now agreed on new organisational arrangements and has commissioned external advice on processes as part of its management reform activities. A comprehensive list of planned actions and timescales on how management intends to re-engineer the detail of the treasury processes was not yet available at the time of finalising this report. The Secretariat has advised that this is planned.

58. Furthermore, the Secretariat has noted the following further comments on treasury and cash management and indicated that it will be taking up the recommendations below.

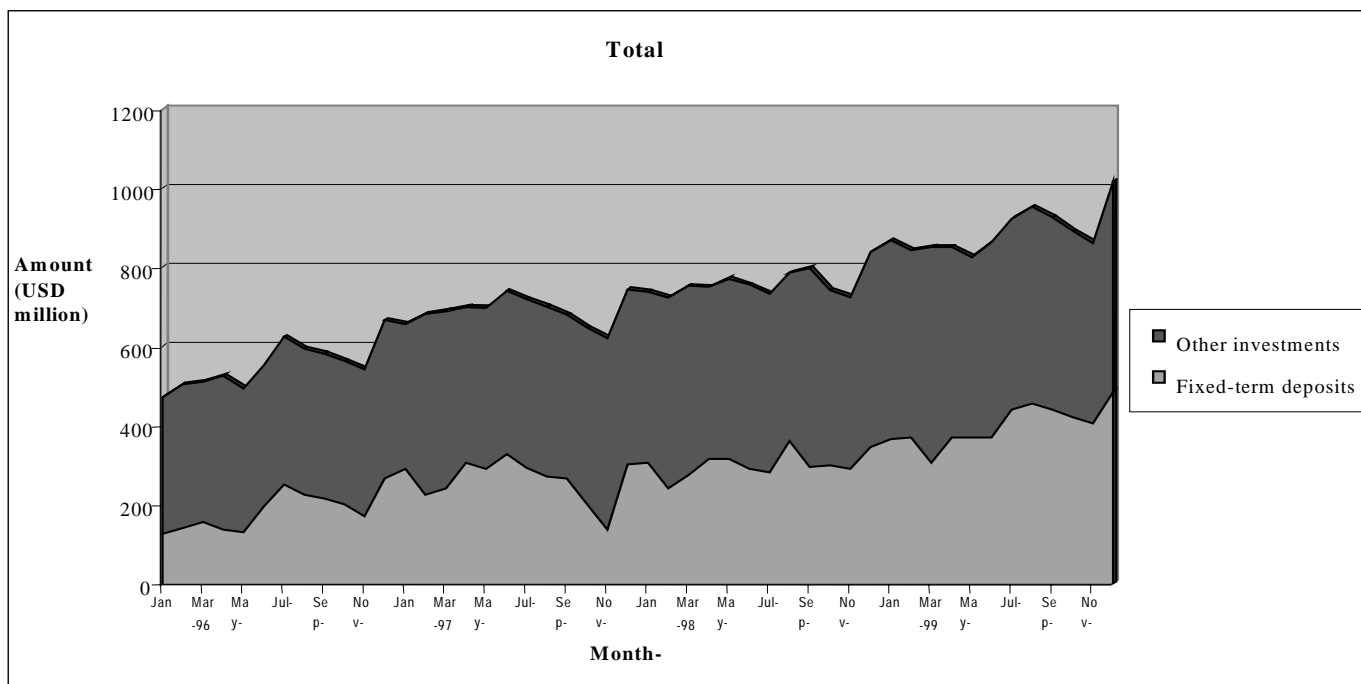
### ***Funds available for investment***

59. The total funds received by the World Health Organization is of the order of USD 2 billion per biennium. Receipts which are not immediately required to fund the regular budget and extra budgetary expenditure, the staff health insurance fund and other specific funds which the World Health Organization holds, have to be invested. Details regarding the source of these funds, of which USD 57 million relates to the regular budget, are set out in Schedule 1(b) of the Financial Report and Audited Financial Statements.

60. A graphical illustration of the total funds invested, fixed term deposits and other investments, during the 24 months ended 31 December 1999, is as follows:



Figure 4: Total funds invested, fixed term deposits and other investments, during the 24 months ended 31 December 1999



**Asset allocation**

61. In terms of the investment policy, the World Health Organization is only allowed to invest in certain types of financial instruments. Investments in currencies other than USD are accounted for at their USD equivalent based on the official rates of exchange. Deposits and securities are accounted for at cost and are held mainly in Eurodollar fixed term deposits, treasury bills and notes, the staff health insurance portfolio and in call accounts.

**Advisory Investment Committee**

62. In terms of the Financial Rules, an advisory committee shall assist the Director-General in framing broad investment policies. The mandate of the Advisory Investment Committee (AIC) is not clearly formulated and regularly updated. Consequently, it was difficult to evaluate the extent to which the committee is discharging its responsibilities and it is recommended that its mandate be reviewed as well as its composition and the conditions applicable to its members.

**Investment policy**

63. The broad investment guidelines are embodied in the investment policy and strategy. Although this serves as the key instrument directing operational investment practices and decisions, it was last updated in December 1998. It is suggested that this should take place more frequently in order to keep track of developments in the external environment.

**Risk management**

64. A certain level of exposure to risk is inevitable in any investment environment. The responsibility for carrying out effective risk management is not formally defined and in place.

65. Pertinent information should also be generated to allow for the monitoring of risks and investments. Although a monthly statement is prepared, it is submitted that the information could be improved with reference, *inter alia*, to the following and would provide a better opportunity to improve performance and identify corrective actions, where necessary:

- Commentary on investing activities, including the aggregate return on investments.
- Commentary on the performance of external asset managers.
- Valuations and market exposure per product type.
- Credit exposure per counter-party.
- Market exposure not hedged.
- Forward-liquidity requirements.

#### **Code of conduct**

66. While the Staff Regulations and Rules do provide for the treasury environment, consideration may be given to strengthening these provisions *inter alia*, with the disclosure of potential conflicts of interest, the formal recording of favours, gifts and any form of remuneration received, or monitoring mechanisms. The Secretariat indicated that this will be addressed within the human resources review.

#### **Internal performance measurement**

67. At 31 December 1999, 59 per cent of the investments were being managed internally. These investments were mainly term deposits, current and call accounts and the overnight investment at the US Federal Reserve Bank.

68. There were no formal performance objectives, either in terms of return on investments or other effectiveness norms, set for the treasury function. Consequently, an assessment of actual performance against objectives could not be carried out to evaluate performance.

#### **Performance of the external asset managers**

69. At 31 December 1999, 41 per cent of the total investments were being managed by external asset managers, the bulk of which was held by two major banks in the amounts of USD 362 million and USD 55 million respectively. The appointment letters of the external asset managers or their predecessors, date from the early eighties in many cases and are not standardised, for example with regard to the fee structure and performance assessment. Furthermore, fees are not being calculated on the same basis and a number of agreements have simply been concluded by way of a letter.

70. Although meetings are held with the external asset managers to discuss their portfolios' performance, more regular and formal evaluation against appropriate benchmarks is recommended.

#### **Cash flow budget**

71. Treasury staff currently obtain a statement of available balances on all the bank accounts on a daily basis. In addition, they maintain a cumulative list of funds required, based on the maturity dates of fixed-term investments and material known commitments. These lists, coupled with their experience of the high-level funding needs, drive the level of investment in fixed-term deposits. The review revealed that although this approach to cash flow management is informal, it appeared to be effective in ensuring that funds are available for the programme activities. However, the existing approach is conservative and does not take account of all variables, while the total funds available for investment is continually growing. If the World Health Organization could estimate its future cash flows more accurately and align its investment products and timing more finely, it could potentially earn additional investment income without compromising the functioning of its core business processes.

### **Bank reconciliations**

72. The World Health Organization maintains forty-eight bank accounts that are being administered and reconciled at headquarters. Thirty bank reconciliations relating to the months of November and December 1999 had not yet been completed on 22 February 2000. It was noted that a large number of the bank reconciliations were not done on a monthly basis and in approximately ten cases, where there were not many transactions, only on a six-monthly basis. One account carried a balance of USD 55 000 had been inactive for at least a year and had earned no interest over this period.
73. It is submitted that rationalising the number of bank accounts would facilitate control and promote regular monitoring and performance.

### **GENERAL CONTROLS IN THE COMPUTERISED ENVIRONMENT**

74. In the interim report to the Fifty-second World Health Assembly, it was reported that a computer audit was carried out in respect of the general controls within the AFI System. The audit had revealed that adequate general control measures within the information technology environment, to ensure the effective and continuous operation of the data processing function, had not been implemented throughout in respect of the following identified focus areas:
- Organisational structure and operating procedures.
  - Programme change controls.
  - Logical access controls.
  - Physical access and environment controls.
  - Contingency planning.
75. It was further reported that the Informatics Technology Strategy review project was reviewing the areas identified during the audit where controls can be improved.
76. General controls are the foundation for the controls of all application systems in a computerised information systems environment and contribute to the effective operation of programmed procedures, including controls over the design, implementation, security, use and amendment of computer programs and files. The adequacy and effectiveness of these controls therefore influences the risk of compromising application controls.
77. Due to the importance of general controls as well as their effect on the extent of reliance audit can place on application controls, a follow-up audit was performed during October 1999, with the objective of determining the effectiveness of the corrective steps taken in respect of the shortcomings previously identified. The follow-up audit revealed that the majority of weaknesses identified had not yet been addressed and identified further areas where improvements could be effected. Broadly, these included:
- Formal IT policies, procedures and plans did not exist in all cases.
  - An appropriate individual had not been allocated the function and trained to perform the duties of information security officer.
  - The World Health Organization still depended heavily on short-term staff to perform critical IT functions or operate as backup for permanent personnel performing critical IT functions.
  - A formal service-level agreement between the World Health Organization and the International Computer Centre (ICC) did not exist.
  - Although system, user, programme and test documentation existed, it was either not complete or not up to date.
  - Quality assurance was not involved in the programme change process and a formal change control committee did not exist. Users also did not sign off programme change control forms as proof of their satisfaction with changes.
  - The programmers had access to production programs and data. Library management software had also not been implemented and programme changes were not logged and reviewed.
  - A formal, documented system development life cycle (SDLC) methodology did not exist.

- Various logical access control weaknesses still existed, which compromised data integrity and confidentiality.
- Formal physical security control measures were still not in place within the network room in the WHO building.
- A disaster recovery plan (DRP) did not exist.

78. The following salient comments were included in the Secretariat's comprehensive response:

- A security and a network policy will be prepared during the current year.
- An Information Technology Security Officer is to be appointed in the near future.
- Steps have been taken towards a more appropriate staff arrangement and will continue to be built upon.
- After the appointment of the Technology Security Officer, a full Security Audit will be performed internally and it is expected that appropriate measures will be put in place within the next six months.
- The value of a service level agreement will be discussed with ICC.
- The new systems are well documented, however, the documentation of the core AFI system, which is more than 20 years old, has become increasingly outdated. The considerable resources required to address this matter will rather be invested in future developments.
- The quality assurance is entrusted to each programmer/analyst and the supervisor, which is considered to be adequate.
- A more formal change control and test procedure will be elaborated.
- More clearly defined roles and responsibilities and segregation of duties will be implemented.
- A SDLC methodology is not considered necessary as no development of the AFI is taking place.
- The security system currently implemented follows the recommendations given by ICC and is considered adequate and in line with the needs and resources of the Organization.
- Formal physical security control measures will be addressed with the development of the security and network policies. The major outstanding security issue has been addressed by ensuring that the doors to the network room are automatically locked.
- The part of the AFI which relies on the ICC mainframe facilities, does indeed have a disaster recovery plan.

79. It has been noted by the Secretariat that the issues raised will take time and financial resources to address. While the response is encouraging, the actions taken and those planned to be taken do not fully address the risks highlighted in the report. It is recommended that the general controls within the computerised environment receive enhanced attention. The Secretariat recognises the need for development in this area and has indicated that it will take this forward in a cost effective manner as systems are renewed.

## **ENVIRONMENTAL MANAGEMENT**

80. Environmental management and disclosure is of increasing importance in sound corporate governance, as well as to users of financial reports and stakeholders in general. A number of important international developments have taken place both in the field of standard setting, as well as from the perspective of accounting, auditing and disclosure. Recently developed auditing methodology provides for the audit of financial disclosure, compliance and performance with regard to the environment.

81. The International Organization for Standardisation in its ISO14001, highlights inter alia the following aspects which could be addressed in setting an environmental policy:

- A framework for the setting and reviewing of environmental targets.
- Management's commitment with regard to continual improvement and compliance with specific environmental legislation and regulations.
- Other aspects such as impact assessment, conservation of resources and relevant aspects of the functions of the organization.

82. Furthermore, the documented environmental management system could, in terms of ISO 14001, address planning, implementation, awareness training, communication, emergency preparedness, management review and corrective action in order to be an effective management tool.

83. Enquiries were made during the course of the audit regarding the existence or development of an environmental management policy for the World Health Organization. In this regard, the Secretariat has highlighted its application of the Geneva waste disposal provisions, as well as several important examples of health programme areas where environmental issues form a key part of the work of the World Health Organization.
84. Bearing in mind the foregoing, it is suggested that the Secretariat should consider ensuring that an environmental policy is developed and communicated globally. The Secretariat has indicated that it will develop and communicate an appropriate environmental policy.

#### **ACKNOWLEDGEMENT**

85. The audit of World Health Organization was assigned to the Auditor-General of the Republic of South Africa for the 2000-2001 and 2002-2003 bienniums, in terms of Resolution WHA 52.8 of the Fifty-second meeting of the World Health Assembly. I look forward to this continuing participation in the process of renewal and reform of the World Health Organization and the opportunity to take forward the many constructive issues, which are currently under development or in process.
86. I wish to record my appreciation for the cooperation and assistance extended by the Director-General, the Regional Directors and the staff of the World Health Organization during my audit.

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

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

Pretoria, Republic of South Africa  
29 March 2000