

# *Interim Financial Report*



## **Division of Reproductive Health (Technical Support)**

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Interim Financial Report of  
the Biennium 1996-1997

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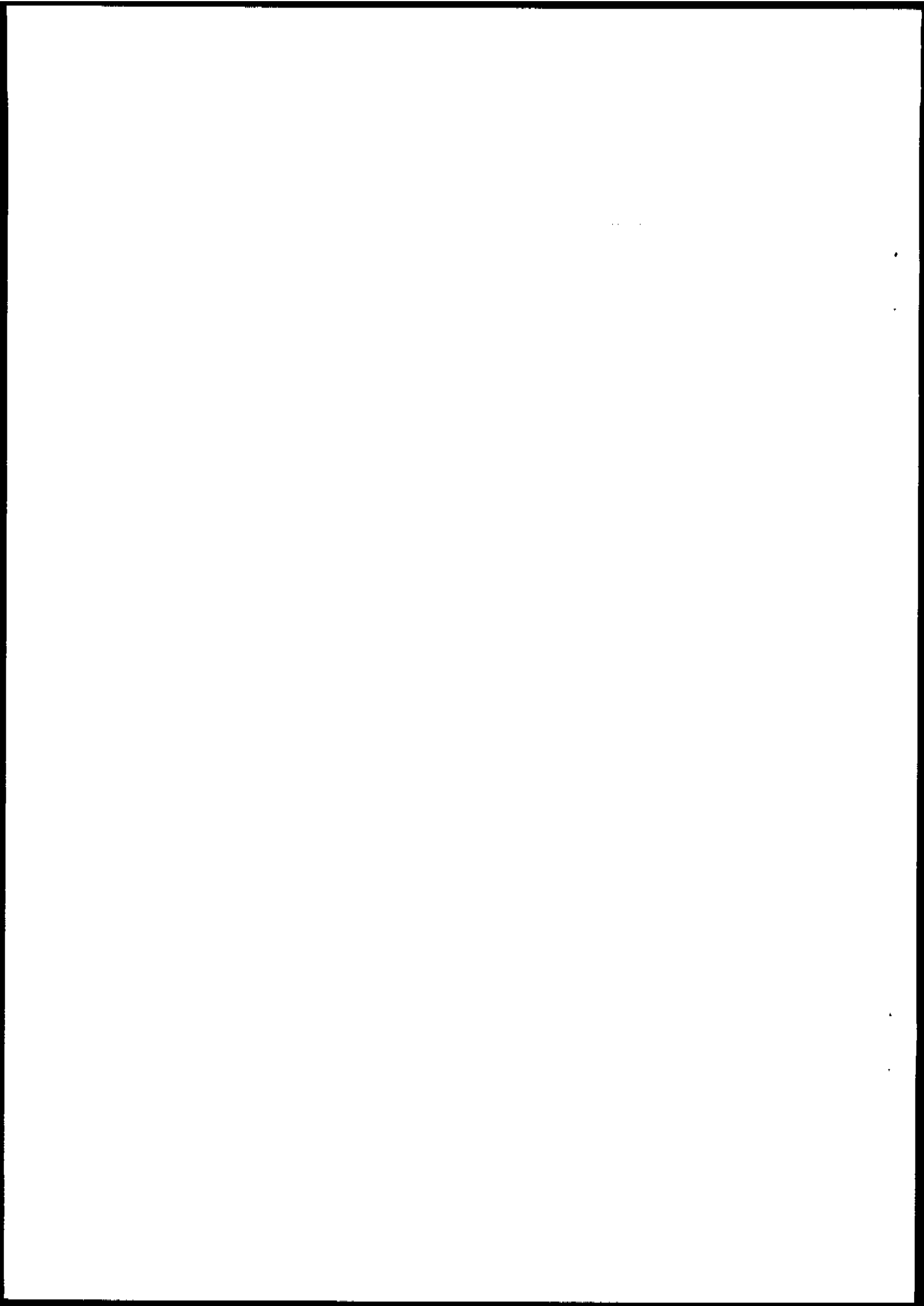
*Family and Reproductive Health*  
*World Health Organization*  
Geneva

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# I. Interim financial analysis of the biennium 1996-1997

## Introduction

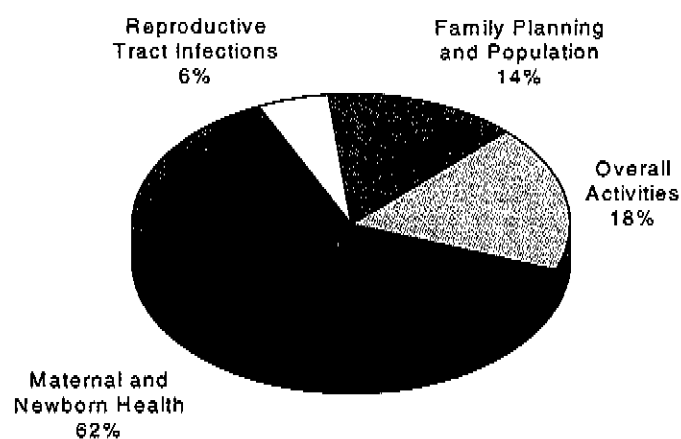
The Division of Reproductive Health (Technical Support) (RHT) was established in March 1996, as a part of Family and Reproductive Health (FRH). Shortly after the establishment of the new Division a goal-oriented budget, entitled *Division of Reproductive Health (Technical Support) Proposed Programme Budget for 1996-1997*<sup>1</sup>, was presented to and supported by the first FRH Meeting of Interested Parties (MIP), held in Geneva on 17-18 June 1996. This document focuses on the financial implementation of this budget.

This document is based on and summarizes information available in the *WHO Interim Financial Report for the year 1996*<sup>2</sup>, presented to the World Health Assembly in May 1997. As such, this Division-specific document is not the subject of a separate audit, and is not intended to replace the audited WHO interim financial report. Rather, it is intended to provide 1997 MIP participants with information specifically relevant to RHT, as requested at the 1996 MIP.

## Budget

The proposed programme budget for 1996-1997 as presented to the 1996 MIP totalled US\$ 15.5 million. MIP participants welcomed the goal orientation of the budget, and supported the clear description of products presented in the document. The budget was presented by programme goal and sub-goal, by programme function, and finally by organizational unit. Staff costs are included in each of these. The budget breakdown by unit is shown in Figure 1.

Figure 1. Programme budget for 1996-1997, by Unit



\*Includes WHO programme support cost

<sup>1</sup> *Division of Reproductive Health (Technical Support) Proposed Programme Budget for 1996-1997*. Document number WHO/FRH/RHT/HRP/96.15/REV.1, 17 June 1997.

<sup>2</sup> *WHO Interim Financial report for the year 1996, Annex, Extrabudgetary Resources for programme activities*. WHO document number A/50/8 Add.1, 21 March 1997.

## Obligations

Obligations incurred during the first year of the biennium totalled US\$ 6,615,000, resulting in the overall financial implementation rate of 43% as shown in Table 1 and Figure 2. Financial implementation approached the target rate of 50% for products of the Maternal and Newborn Health/Safe Motherhood Unit (MSM), as well as for cross-cutting products of the Division (RHT). Implementation in the Family Planning and Population Unit (FPP) was slightly lower at 33%. Low rates of financial implementation in the Reproductive Tract Infections Unit (RTI) were expected during 1996 since the Unit, which was established in March 1996, has only recently started to build up staffing, currently consisting of one temporary scientist and one volunteer. Furthermore, funds for RTI product development were not available until later in the year.

The seemingly low financial implementation rates in FPP and RTI contrast sharply with the important achievements of these units during 1996, as outlined in the RHT progress report<sup>3</sup>.

**Table 1<sup>4</sup>. Obligations for 1996 compared with approved 1996-1997 budget, by Unit**

Unit	1996-1997	1996	
	Budget US\$ 000	Obligations US\$ 000	Financial implementation rate %
Division of Reproductive Health overall activities	2,850	1,357	48%
Maternal and Newborn Health/Safe Motherhood	9,663	4,508	47%
Family Planning and Population	2,200	716	33%
Reproductive Tract Infections	802	34	4%
Total all Units	15,516	6,615	43%

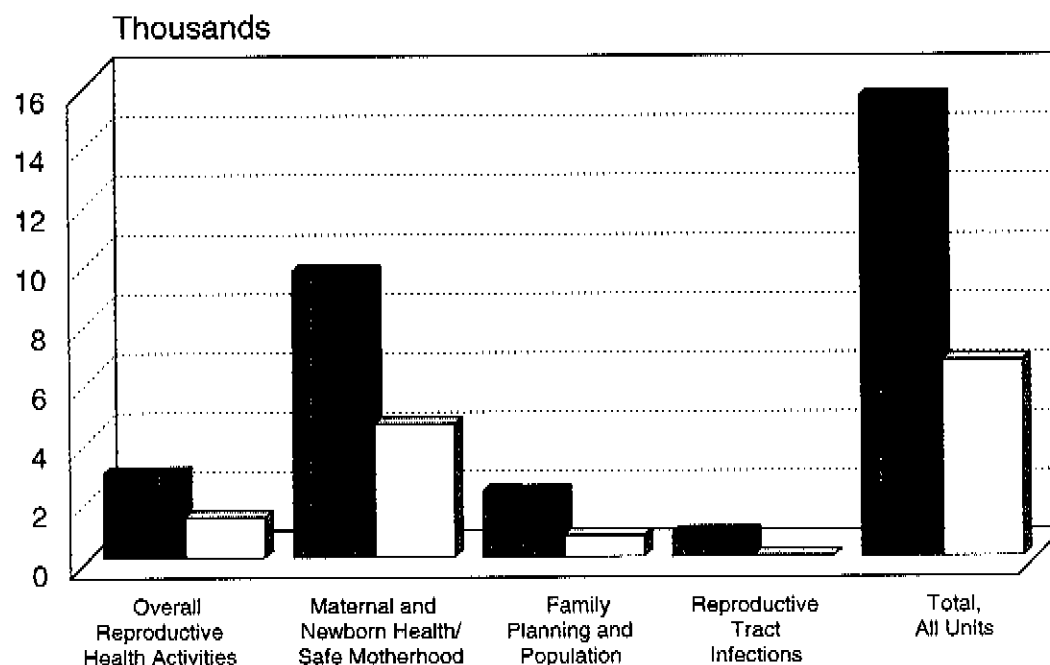
Table 2 (in Part II of this document) compares the obligations for 1996 with the 1996-1997 budget, shown separately for staff and activities. While the obligations for staffing are at the target of 50% for 1996, those for activities are slightly lower at 34%. Less disparity between these figures is expected at the end of the biennium, as some of the 1996 obligations for staffing include 1997 staffing costs also.

Table 3 shows obligations and financial implementation by source of funding: extrabudgetary voluntary contributions and WHO regular budget funds. The implementation rate for the regular budget funds is higher than that for extrabudgetary funds, in large part because most 1997 regular budget staff costs have been obligated in 1996, and because staff costs comprise a substantial proportion of regular budget funds. However, the absolute value of implementation with extrabudgetary funds is more than four times that of regular budget funds, reflecting the fact that extrabudgetary funds comprise the majority of the RHT budget.

Overall, financial implementation of the budget is proceeding at a rapid pace.

<sup>3</sup> See pages 9-15 (for FPP) and 33-35 (for RTI) of *Division of Reproductive Health (Technical Support) Progress Report 1996*. Document WHO/FRH/RHT/97.3, June 1997.

<sup>4</sup> This table also appears in Part II of this document.

**Figure 2. Obligations for 1996 compared with approved 1996-1997 budget, by Unit**

## Income and resources

The 1996-1997 budget of US\$ 15.5 million is financed from the following sources: (1) balances brought forward from 1994-1995; (2) voluntary contributions from member states and United Nations system agencies, and (3) the World Health Organization Regular Budget. This information is summarized in Table 4.

The balance brought forward from 1994-1995 totalled US\$ 4.2 million. Since most of this balance was designated contributions to Maternal Health and Safe Motherhood, most of the income available to RHT in early 1996 was restricted to support for products in this area. This explains, in part, the lower implementation rates for FPP and RHT.

Income for the Division in 1996 totalled US\$ 5.6 million, as detailed in Table 5 and Table 6. Roughly two-thirds of this income came from voluntary contributions to the Division, while the remainder came from regular budget contributions.

After deducting 1996 obligations from total resources for 1996, the closing interim balance on 31 December 1996 comes to approximately US\$ 3.2 million. This information, taken with the analysis of closing balances in Table 7, points to a possible shortage of resources in early 1998. It is expected that this situation will be alleviated as sources of additional income are identified. For this reason, the "Priority 1" budget for 1998-1999 has been prepared on the conservative assumption that funding levels for 1999-1999 will not exceed current levels (i.e. approximately twice the finding level for 1996).<sup>5</sup>

<sup>5</sup> For more details please refer to *Division of Reproductive Health (Technical Support) Proposed Programme Budget for 1998-1998*. Document WHO/FRH/RHT/97.5, June 1997.

## Conclusion

The Division of Reproductive Health is entering a new and exciting phase. Implementation of the initial budget is proceeding at a rapid pace, leading to sharply lower levels of unobligated balances. Furthermore, product development in those areas of lower financial implementation is expected to increase substantially in 1997. A more rapid implementation could not be sustained at current funding levels.

Looking forward to 1998-1999, while the implementation of a "Priority 1" budget will most likely be possible, new sources of additional income will need to be identified if the programme is to implement the full programme budget proposed in the *Division of Reproductive Health (Technical Support) Proposed Programme Budget for 1996-1997*.

## II. Financial statements

**Table 1. Obligations for 1996 compared with approved 1996-1997 budget, by Unit**

Unit	1996-1997		1996	
	Budget	% of Total	Obligations	Financial implementation rate <sup>6</sup>
	US\$ 000	%	US\$ 000	%
Overall Reproductive Health Activities	2,850	18%	1,357	48%
Maternal and Newborn Health/Safe Motherhood	9,663	62%	4,508	47%
Family Planning and Population	2,200	14%	716	33%
Reproductive Tract Infections	802	6%	34	4%
Total all Units	15,516	100%	6,615	43%

<sup>6</sup> The financial implementation rate is the percent of the budget that has been obligated. At the middle of the biennium (31 December 1996), the target implementation rate is 50%, assuming that sufficient funds will be available for implementation of the full budget by 31 December 1997.

**Table 2. Obligations for 1996 compared with approved 1996-1997 budget, with staff/activity cost breakdown**

	1996-1997		1996	
	Budget	% of Total	Obligations	Financial implementation rate
	US\$ 000	%	US\$ 000	%
Activities	6,899	44%	2,317	34%
Staff	8,617	56%	4,298	50%
Grand Total	15,516	100%	6,615	43%

**Table 3. Obligations for 1996 compared with approved 1996-1997 budget, by Unit and by source**

Unit	1996-1997		1996	
	Budget	% of Total	Obligations	Financial implementation rate
	US\$ 000	%	US\$ 000	%
Division of Reproductive Health Overall Activities				
Extrabudgetary funding	1,894	66%	618	33%
Regular Budget	956	34%	739	77%
Subtotal	2,850	100%	1,357	48%
Maternal and Newborn Health/Safe Motherhood				
Extrabudgetary funding	8,923	92%	4,159	47%
Regular Budget	740	8%	349	47%
Subtotal	9,663	100%	4,508	47%
Family Planning and Population				
Extrabudgetary funding	1,800	82%	494	27%
Regular Budget	400	18%	222	56%
Subtotal	2,200	100%	716	33%
Reproductive Tract Infections				
Extrabudgetary funding	782	98%	25	3%
Regular Budget	20	2%	9	45%
Subtotal	802	100%	34	4%
Total all units				
Extrabudgetary funding	13,400	86%	5,296	40%
Regular Budget	2,116	14%	1,319	62%
Grand total	15,516	100%	6,615	43%

**Table 4. Summary interim financial statement**

	1996-1997 Actual
	US\$
Opening balance on 1 January 1996 <sup>7</sup>	4,162,116
Income	5,644,492
Total resources	9,806,608
Actual obligations 1996 <sup>8</sup>	6,615,330
Closing balance on 31 December 1996	3,191,278

<sup>7</sup> Unliquidated obligations incurred prior to 1996 totalling US\$ 299,642 have been excluded from this report.

<sup>8</sup> Actual obligations incurred during 1996 include US\$ 4,543,156 of disbursements and unliquidated obligations totalling US\$ 2,072,174.

**Table 5. Contributions received by the Division of Reproductive Health (Technical Support), 1996<sup>9,10</sup>**

Contributions	1996
Extrabudgetary contributions:	
Member states	
Australia	377,550*
Italy	0*
Japan	300,000
Netherlands	0*
Norway	474,871*
Sweden	468,232*
Switzerland	193,798
United Kingdom of Great Britain and Northern Ireland	0*
United States of America	141,000
Subtotal	1,955,451
United Nations system agencies	
United Nations Development Programme	66,851*
United Nations Population Fund	415,721*
IBRD / World Bank	255,000*
Subtotal	737,572
WHO Special Account for Servicing Costs	690,950
Other income, including interest	407,219
Total extrabudgetary contributions	3,791,192
WHO Regular Budget income	1,853,300
Grand total income	5,644,492

Note: Asterisks (\*) identify donors that have either contributed or pledged support to the Division during the period January-April 1997.

<sup>9</sup> The Division of Reproductive Health (Technical Support) was established in March 1996.

<sup>10</sup> This table includes the Maternal and Newborn Health/Safe Motherhood Unit.

**Table 6. Contributions to Maternal and Newborn Health/Safe Motherhood, 1987-1996<sup>11</sup>**

Contributions <sup>12</sup>	1987-90	1991	1992	1993	1994	1995	1996	Total
<b>Extrabudgetary contributions</b>								
<b>Member states</b>								
Australia	392,325	177,660	197,293	185,900	201,575	579,268	377,550	2,111,571
Italy	256,807	438,536	-	428,571	618,175	-	-	1,742,089
Japan	-	-	-	-	-	450,000	300,000	750,000
Netherlands	-	-	-	-	-	-	-	-
Norway	145,127	-	309,597	408,163	381,254	446,593	-	1,690,734
Sweden	522,300	156,805	87,771	255,219	791,052	437,200	468,232	2,718,579
Switzerland	-	384,615	369,128	335,570	390,625	608,696	-	2,088,634
United Kingdom	-	-	-	-	-	-	-	-
United States of America	139,000	155,000	134,000	189,000	244,580	195,000	141,000	1,197,580
<b>Subtotal</b>	<b>1,455,559</b>	<b>1,312,616</b>	<b>1,097,789</b>	<b>1,802,423</b>	<b>2,627,261</b>	<b>2,716,757</b>	<b>1,286,782</b>	<b>12,299,187</b>
<b>United Nations system agencies</b>								
United Nations Children's Fund	65,000	15,000	100,000	-	-	-	-	180,000
United Nations Development Programme	1,615,331	387,086	141,378	300,427	334,043	307,003	66,851	3,152,119
United Nations Population Fund	1,389,731	358,367	-	255,055	113,587	-	-	2,116,740
IBRD / World Bank	1,050,000	250,000	200,000	150,000	263,000	242,500	255,000	2,410,500
WHO Director-General's Development Fund	500,000	-	-	-	200,000	-	-	700,000
<b>Subtotal</b>	<b>4,620,062</b>	<b>1,010,453</b>	<b>441,378</b>	<b>705,482</b>	<b>910,630</b>	<b>549,503</b>	<b>321,851</b>	<b>8,559,359</b>
<b>Non-governmental organizations</b>								
Rockefeller Foundation	885,000	-	240,000	635,000	-	-	-	1,760,000
Carnegie Corporation of New York	815,000	125,000	125,000	125,000	-	100,000	-	1,290,000
Andrew W. Mellon Foundation	120,000	-	-	-	-	-	-	120,000
<b>Subtotal</b>	<b>1,820,000</b>	<b>125,000</b>	<b>365,000</b>	<b>760,000</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>3,170,000</b>
<b>Other income including interest</b>	<b>404,660</b>	<b>184,110</b>	<b>128,090</b>	<b>92,181</b>	<b>139,020</b>	<b>182,322</b>	<b>159,907</b>	<b>1,290,290</b>
<b>Total extrabudgetary contributions received</b>	<b>8,300,281</b>	<b>2,632,179</b>	<b>2,032,257</b>	<b>3,360,086</b>	<b>3,676,911</b>	<b>3,548,582</b>	<b>1,768,540</b>	<b>25,318,836</b>

<sup>11</sup> For 1996, this income is also reported in the previous table of income to the Division of Reproductive Health (Technical Support).

<sup>12</sup> Due to changes in the WHO organizational structure, it is not possible to include income for regular budget or administrative support salaries in this table.

**Table 7. Analysis of closing balance**

	<u>All Products</u>	<u>Priority 1 Products only<sup>13</sup></u>
	<u>US\$ 000</u>	<u>US\$ 000</u>
Closing balances budgeted for the end of the 1996-1997 biennium (31 December 1997) to be carried over to the 1998-1999 biennium:		
to fund product development during the first six months of 1998-1999 <sup>14</sup>	1,383	821
to fund staff costs for 1998-1999 which are obligated at the start of the biennium <sup>15</sup>	4,668	2,993
Total closing balances budgeted for 31 December 1997	6,051	3,815
Actual balances at 31 December 1996 <sup>16</sup>	3,191	3,191

<sup>13</sup> Priority 1 products will be developed if 1998-1999 funding equals projected 1996-1997 funding. Priority 2 products will be developed only as funding surpasses this level. For a discussion of prioritization of the 1998-1999 budget, please refer to pages 1-2 of *Division of Reproductive Health (Technical Support) Proposed Programme Budget for 1998-1999*. Document WHO/FRH/RHT/97.5, June 1997.

<sup>14</sup> In consideration of the product development cycle of planning, budgeting, authorization and implementation, it is usually necessary to have at least six months' funding available in advance of implementation.

<sup>15</sup> In order to assure the continuity of staffing, funds are required to support annual staffing obligations in January of each year.

<sup>16</sup> The closing balance on 31 December 1996 of US\$ 3,191 is carried over into 1997 to fund product development and staff costs in 1997.