



AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023





AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

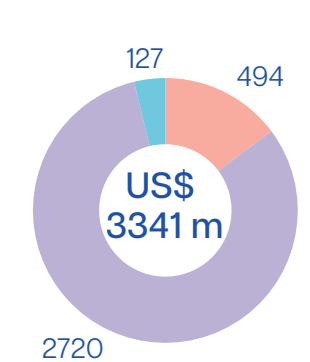
TABLE OF CONTENTS

Director-General's summary	6
2023 Statement of Internal Control Over Financial Reporting	31
Certification of financial statements for the year ended 31 December 2023	34
Opinion of the External Auditor	35
Statement I. Statement of Financial Position	40
Statement II. Statement of Financial Performance	41
Statement III. Statement of Changes in Net Assets/Equity	42
Statement IV. Statement of Cash Flow	43
Statement V. Statement of Comparison of Budget and Actual Amounts	44
1. Notes to the financial statements	45
2. Significant accounting policies	49
3. Note on the restatement/reclassification of balances	60
4. Supporting information to the Statement of Financial Position	61
5. Supporting information to the Statement of Financial Performance	88
6. Supporting information to the Statement of Changes in Net Assets/Equity	93
7. Supporting information to the Statement of Comparison of Budget and Actual Amounts	98
8. Segment reporting	100
9. Amounts written-off and ex-gratia payments	102
10. Related party and other senior management disclosures	102
11. Events after the reporting date	103
12. Contingent liabilities, commitments and contingent assets	103
Schedule I. Statement of Financial Performance by major funds	105
Schedule II. Expenses by major office - General Fund only	106
Schedule III. Financial overview – all funds, 2022–2023, 2020–2021 and 2018–2019	107
Annex I. Revenue and expenses with programme countries	108
Annex II. Revenue and expenses with United Nations entities	112

FINANCIAL STATEMENTS AT A GLANCE

REVENUE

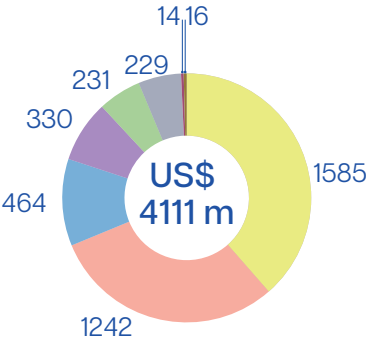
2023: US\$ 3341 m
2022: US\$ 4354 m



- Assessed contributions (PB)
- Voluntary contributions (PB)
- Non-Programme budget / other revenue

EXPENSES

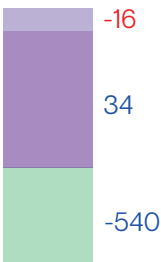
2023: US\$ 4111 m
2022: US\$ 3850 m



- Contractual services
- Staff costs
- Transfers and grants
- Medical supplies and materials
- Travel
- General operating expenses
- Depreciation and amortization
- Equipment, vehicles and furniture

SURPLUS/(DEFICIT)¹

2023: US\$ (522) m
2022: US\$ 598 m

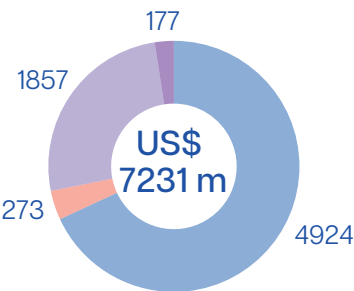


- Fiduciary Funds
- Member States - other
- General Fund

¹ Includes finance revenue (2023: US\$ 247 m, 2022: US\$ 94 m)

ASSETS

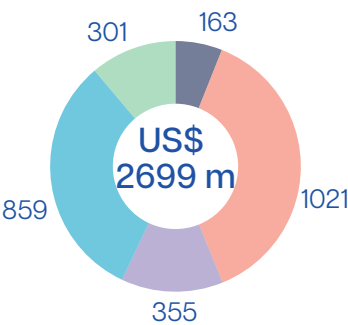
2023: US\$ 7231 m
2022: US\$ 7807 m



- Financial Assets
- Fixed assets
- Receivables
- Other

LIABILITIES

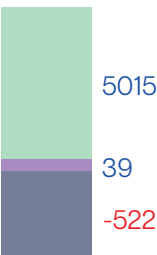
2023: US\$ 2699 m
2022: US\$ 2792 m



- Borrowing
- Deferred and advance contributions
- Staff related
- Inter-entity liabilities
- Other liabilities

NET ASSETS/EQUITY

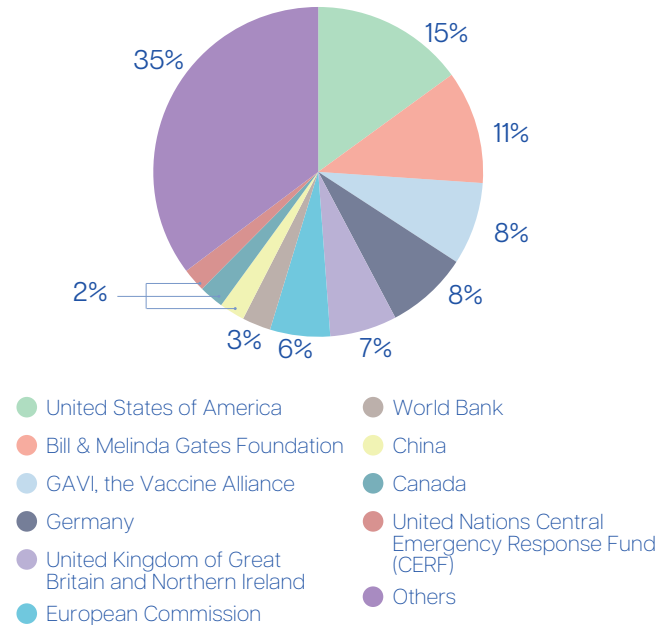
2023: US\$ 4532 m
2022: US\$ 5015 m



- Opening net assets
- Other adjustments
- Deficit

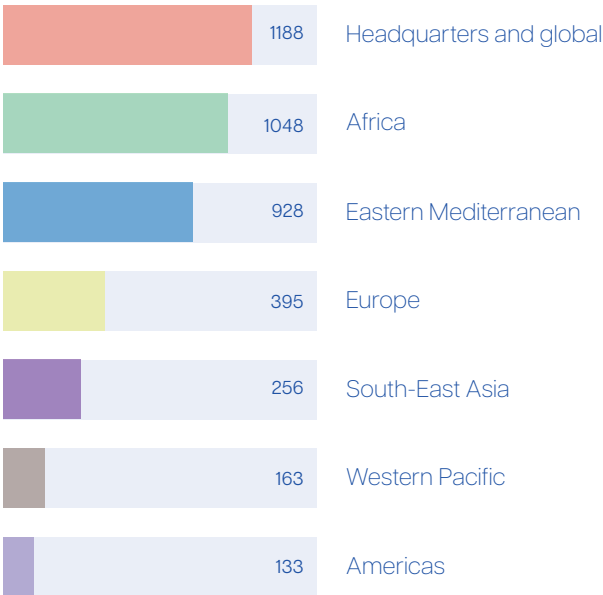
TOP 10 CONTRIBUTORS OF PROGRAMME BUDGET REVENUE

2023: 65%
2022: 69%



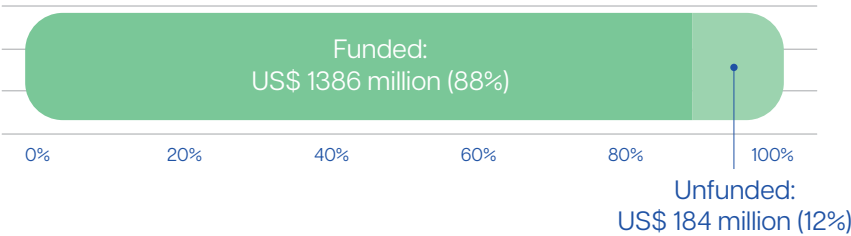
TOTAL EXPENSES BY MAJOR OFFICE

2023: US\$ 4111 m
2022: US\$ 3850 m



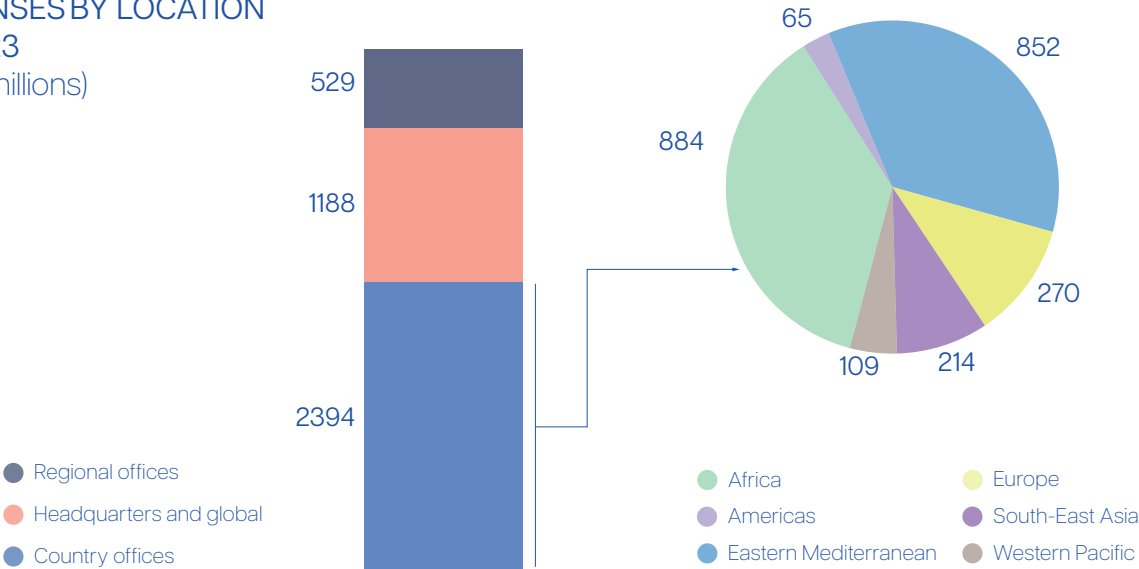
ASHI FUNDING STATUS

2023: 88%
2022: 81%



PROGRAMME BUDGET EXPENSES BY LOCATION IN 2023

(US\$ millions)



DIRECTOR-GENERAL'S SUMMARY

INTRODUCTION

In 2023, WHO recorded its highest level of programme delivery for a second consecutive year, a demonstration of our continuing success in working with Member States and partners to meet the increasing challenges facing health. This was achieved in part by utilizing contributions provided in previous years, as revenue for 2023 fell significantly below the record high levels reached in the past few years.



childhood immunization, as well as progress on human papillomavirus vaccination and the development of new vaccines against malaria, meningitis and dengue, offering hope for populations at risk.

Around the world every day, WHO staff go above and beyond, in some cases risking their lives, to deliver health services alongside our partners across the humanitarian system. I thank them for their relentless commitment.

In 2023, WHO responded to 72 acute and protracted graded emergencies, including 23 new ones: crises, conflicts and natural disasters, in addition to the continuing threat of disease outbreaks and the impact of climate change. Every day, WHO experts work with governments to identify emerging risks and spur action to reduce public health threats and keep everyone safe.

Health care has also been under attack, with 1486 attacks on health facilities and workers verified by WHO in 2023, resulting in 745 deaths and 1239 injuries in 19 countries.

Despite these challenges, there were many reasons for hope in 2023. In May, I declared coronavirus disease (COVID-19) over as a public health emergency of international concern (PHEIC), and in June I also declared an end to mpox as a PHEIC. WHO is supporting countries to transition from dealing with COVID-19 as an emergency to managing it alongside other infectious diseases.

2023 was also a record year for disease elimination, with several countries eliminating infectious diseases, thanks to national efforts and collaborative action by partners worldwide.

Vaccines continue to play a major role in preventing severe illness and hospitalization as a result of COVID-19 and many other diseases. In 2023 there were promising signs of recovery in levels of

Through all WHO's work, the Secretariat is committed to leveraging the gains made during the COVID-19 pandemic to support Member States in facing health emergencies and successfully managing current and future threats.

In 2023, we celebrated 75 years of the World Health Organization (WHO). It was a year to reflect on achievements, while confronting the complex challenges affecting global health today.

WHO IN NUMBERS

US\$ **3341** MILLION

in revenues (2022: US\$ 4354 million)

US\$ **4111** MILLION

in expenses (2022-restated: US\$ 3850 million)

US\$ **4532** MILLION

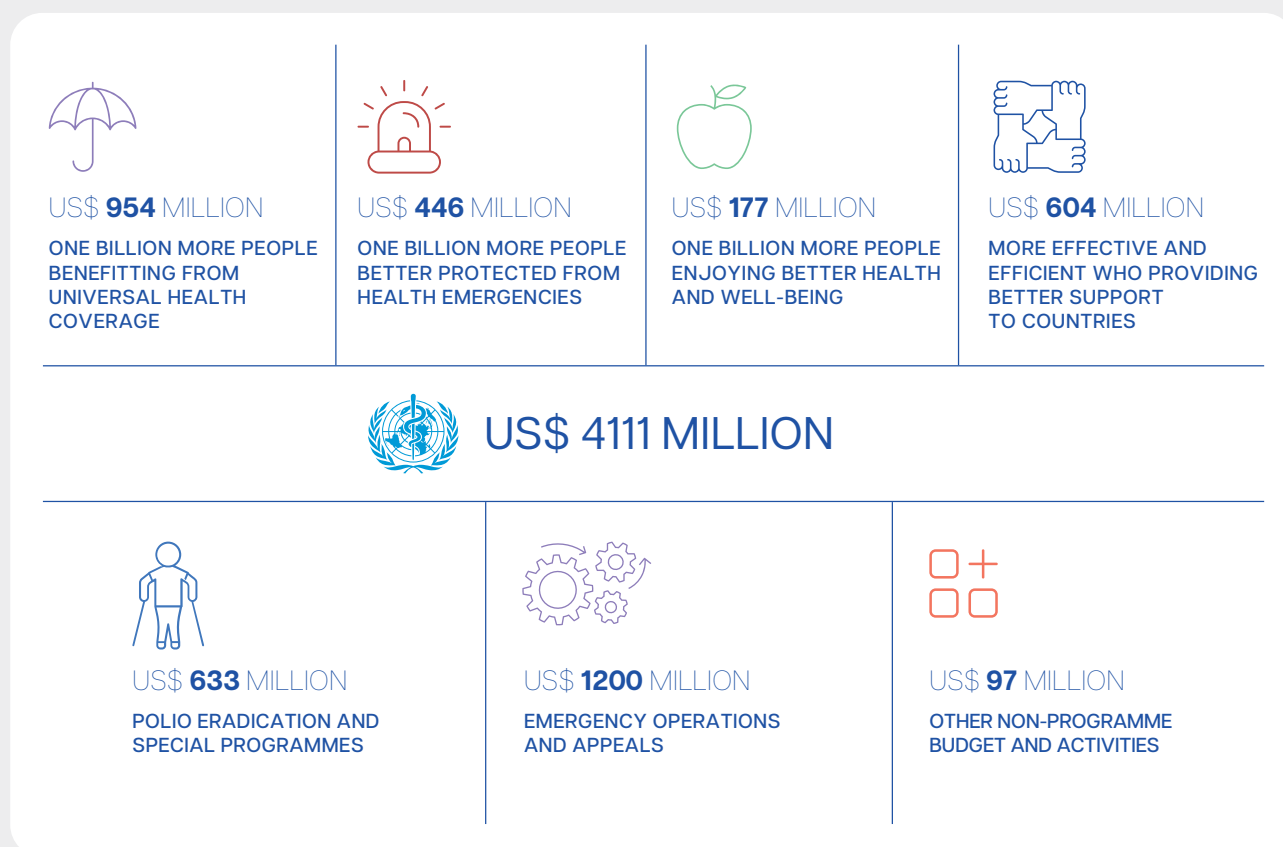
in net assets (2022-restated US\$ 5015 million)

The sections below contain an outline of the major financial highlights. Additional information has been provided, in keeping with our commitment to improve transparency. Further details of the achievements in terms of results are set out in the WHO Results Report (document A77/19), which is

data driven, results-oriented and country-focused, and firmly grounded in the Sustainable Development Goals.

Total expenses by strategic priority in 2023 are summarized in Fig. 1 below.

Fig. 1. Total expenses by strategic priority in 2023

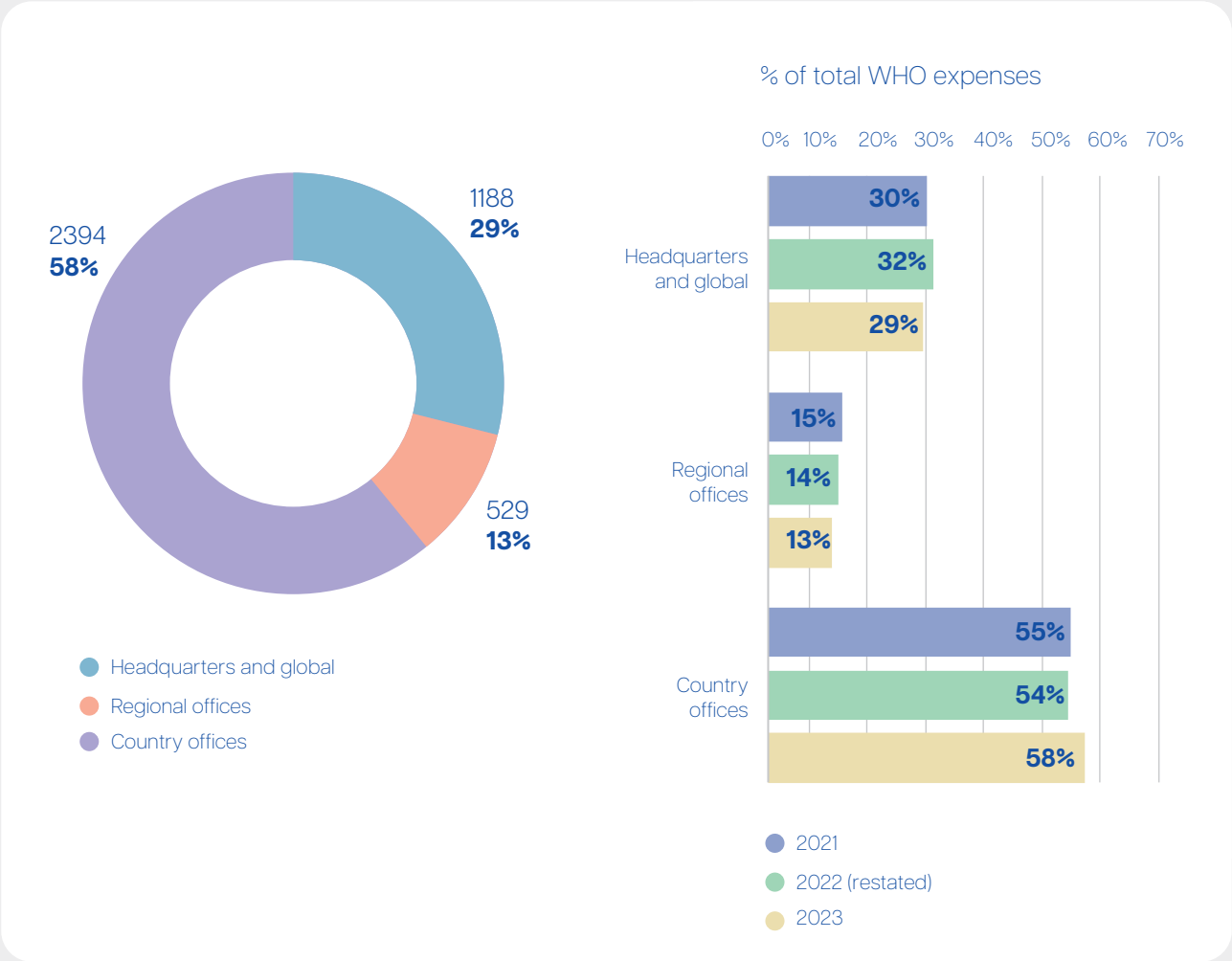


COUNTRY FOCUS AND PRESENCE

Member States extended the Thirteenth General Programme of Work, 2019–2023 to 2025, continuing the country focus and working more closely with Member States. In line with this theme, WHO has maintained its focus on strengthening country operations. In 2023, US\$ 2394 million (58%) of total expenses were incurred in country operations (Fig. 2), an increase of US\$ 308 million

over 2022 (US\$ 2086 million), mainly in delivering the base segment of the Programme budget. Continuing in this direction over the last two biennia, and taking into account WHO’s commitment regarding core predictable country presence, the Programme budget 2024–2025 is the first to allocate 49% of the base budget to country offices (an increase from 44% in the biennium 2020–2021, and 46% in the biennium 2022–2023).

Fig. 2. Total expenses by location in 2023, and trend in expenses from 2021 to 2023 (US\$ millions)



FINANCIAL PERFORMANCE IN 2023

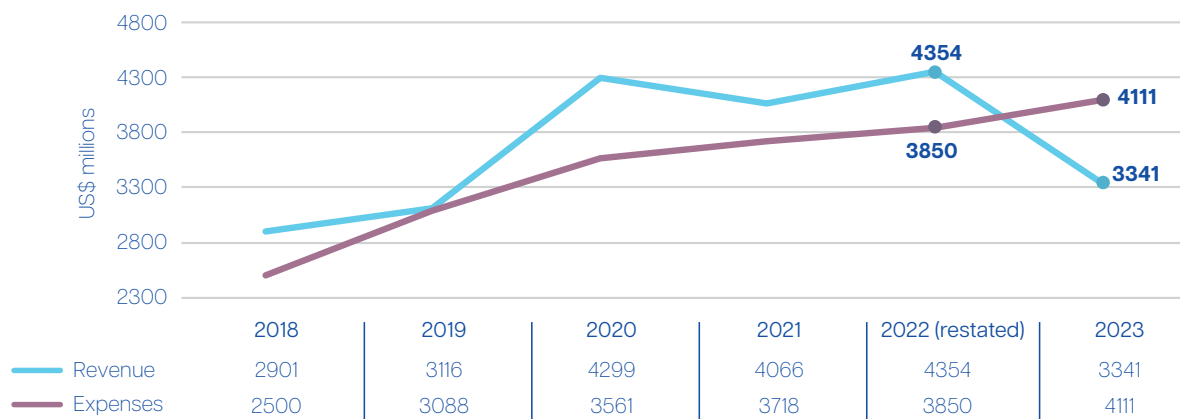
NAVIGATING A POST-COVID-19 FINANCIAL LANDSCAPE

In 2023, total revenue declined to US\$ 3341 million (2022: US\$ 4354 million), while expenses grew to US\$ 4111 million (2022 - restated: US\$ 3850 million). This resulted in a net deficit of US\$ 522 million, compared with a net surplus of US\$ 598 million in 2022 (restated) (Fig. 3).

The main drivers of the decrease in revenue of US\$ 1013 million in 2023 are the reduction in voluntary contributions by US\$ 911 million and the reduction in in-kind contributions by US\$ 91 million.

The expenses of US\$ 4111 million in 2023 were the highest in the Organization's history, an increase of US\$ 261 million compared with 2022 (restated). This was funded by current year revenue and unspent revenue from previous years (the accumulated net surpluses), in addition to a significant increase in finance revenue of US\$ 247 million (2022: US\$ 94 million).

Fig. 3. Summarized financial performance for 2018–2023 (US\$ millions)



REVENUE

WHO appreciates the generous financial support provided by Member States and donors, at a time when many Member States are facing ongoing economic challenges.

From the record high level of revenue of US\$ 4354 million reached in 2022, revenue in 2023 decreased by US\$ 1013 million to US\$ 3341 million. Of the total revenue of US\$ 3341 million, US\$ 2746 million (82%) came from voluntary contributions, US\$ 494 million (15%) from assessed contributions, US\$ 55 million from in-kind revenue and US\$ 46 million from other sources. In addition, finance revenue grew to US\$ 247 million (2022: US\$ 94 million). Fig. 4 below shows the changes in revenue volume compared with 2022 by donor category and contribution purpose.

Total revenue in 2023
US\$ 3341 million

Decrease of US\$ 1013 million compared with 2022

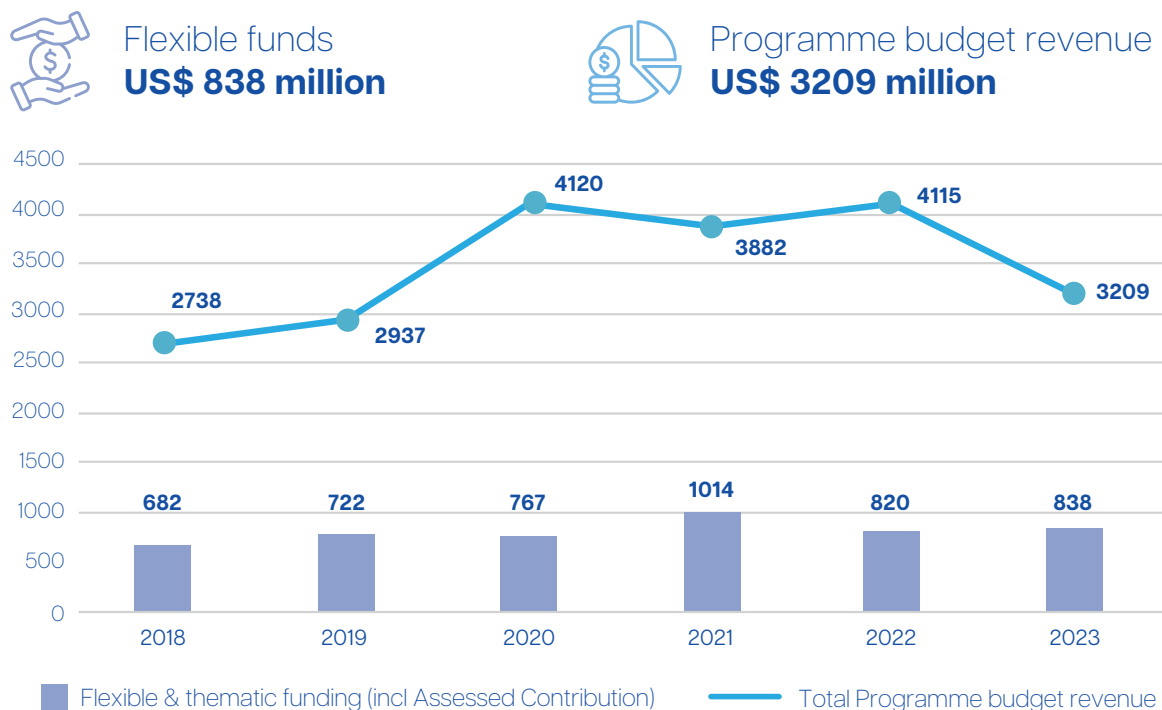


Flexible financing enables WHO to focus better on priorities and improve its ability to deliver results effectively and efficiently. The level of flexible financing stabilized in 2023 following the significant falls of 2021 and 2022, reaching US\$ 838 million in 2023 (26% of total Programme budget revenue), including assessed and voluntary contributions, representing a minor increase of US\$ 18 million compared with 2022 (Fig. 5).

Fig. 4. Changes in revenue volume from 2022 to 2023 by contributor and revenue type (US\$ millions)



Fig. 5. Flexible Funding to the Programme budget (US\$ millions)



Total flexible funding increased to **US\$ 838 million** in 2023 or **26%** of total Programme budget revenue compared with **US\$ 820 million** in 2022 or **20%** of Programme budget revenue.

TOP 10 DONORS TO PROGRAMME BUDGET

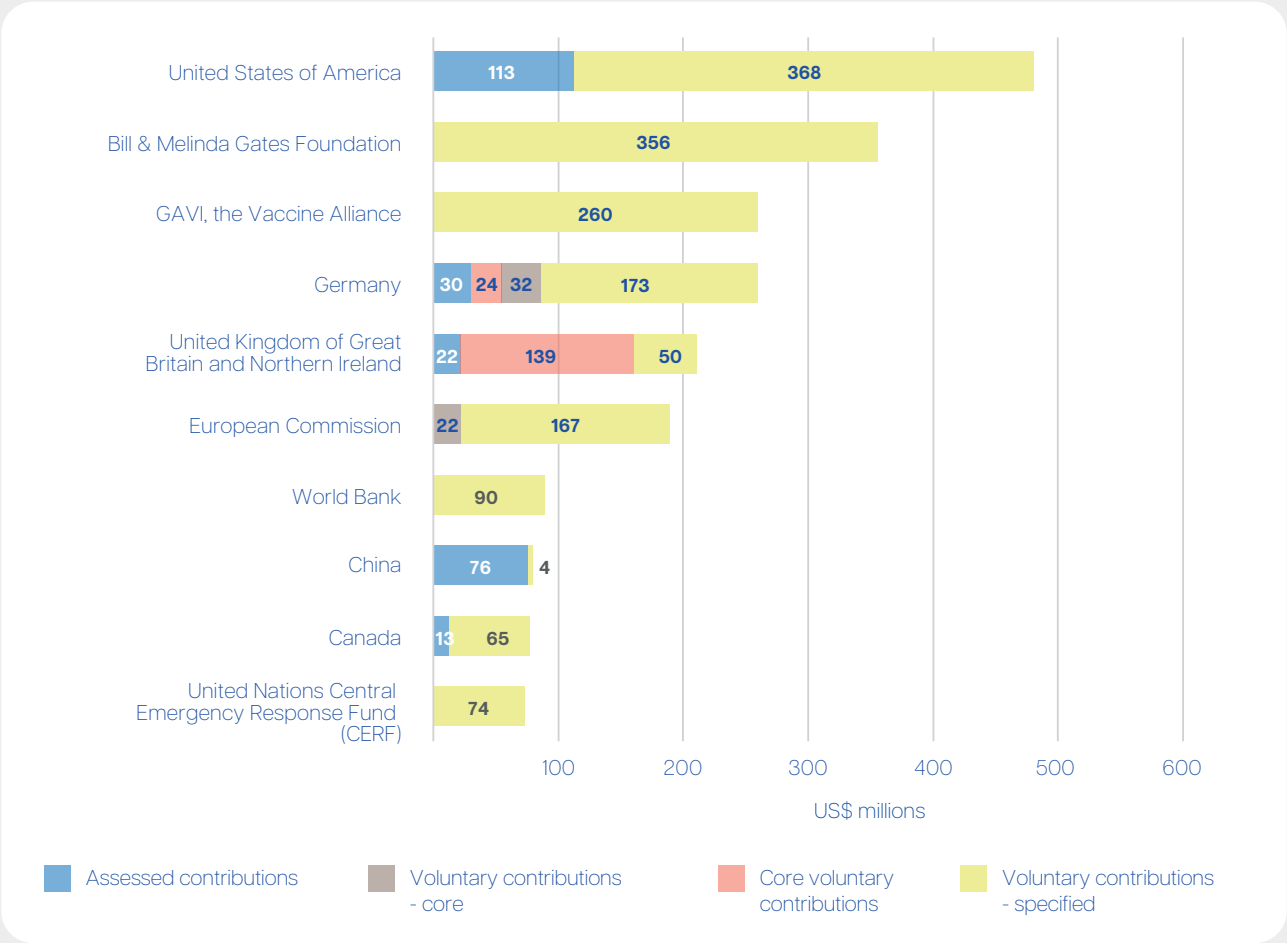
A broad donor base is key to sustainable financing. In 2023, the top 10 donors (Fig. 6 below) contributed US\$ 2078 million (65%) of contributions to the Programme budget, a decrease from US\$ 2824 million, or 69%, in 2022. Of this total, US\$ 471 million (23%) was fully flexible or thematic funding (including assessed contributions), US\$ 629 million (30%) was for the WHO Health Emergencies Programme and the remaining US\$ 978 million (47%) was earmarked for projects and partnerships.

The composition of the top 10 donors and their contributions has changed since 2022. The largest donors focus their contributions on certain areas of the Programme budget, providing 73% of the

total funding for the WHO Health Emergencies Programme, 82% for the polio programme, 69% for the core voluntary contributions account, and 56% of the funding for earmarked activities.

The high reliance on a small number of Member States and donors to fund WHO's Programme budget and other activities persists. While appreciating their generous contributions, this also presents a systemic risk. To illustrate this, of the total reduction in Programme budget revenue of US\$ 906 million in 2023, US\$ 746 million (82%) is attributed to the total contributions to the Programme budget revenue received from the top 10 donors.

Fig. 6. Top 10 contributors to the Programme budget in 2023 (US\$ millions)



Assessed contributions

Assessed contributions are the most flexible form of funding and accounted for US\$ 494 million of total revenue in 2023, slightly down from US\$ 496 million in 2022 due to exchange rate fluctuations and an increase in the allowance for doubtful accounts receivable. In relative terms, assessed contributions represented 15% of total revenue in 2023, an increase from 11% in 2022 and 14% in 2021, due to the relative fall in the volume of voluntary contributions (Fig. 7).

The stability of assessed contributions is all the more important during a time of falling voluntary contributions, and accentuates the need for an increase in assessed contributions to improve the sustainability of WHO. Assessed contributions

provide predictable flexible financing, enabling resources to be aligned with Member States' priorities established in the Programme budget and providing catalytic funding to mobilize additional voluntary contributions. Fig. 8 shows the relative values of assessed and voluntary contributions to the Programme budget, as well as the rate of collection of assessed contributions.

Fig. 7. Voluntary and assessed contributions for 2018–2023 (US\$ millions)

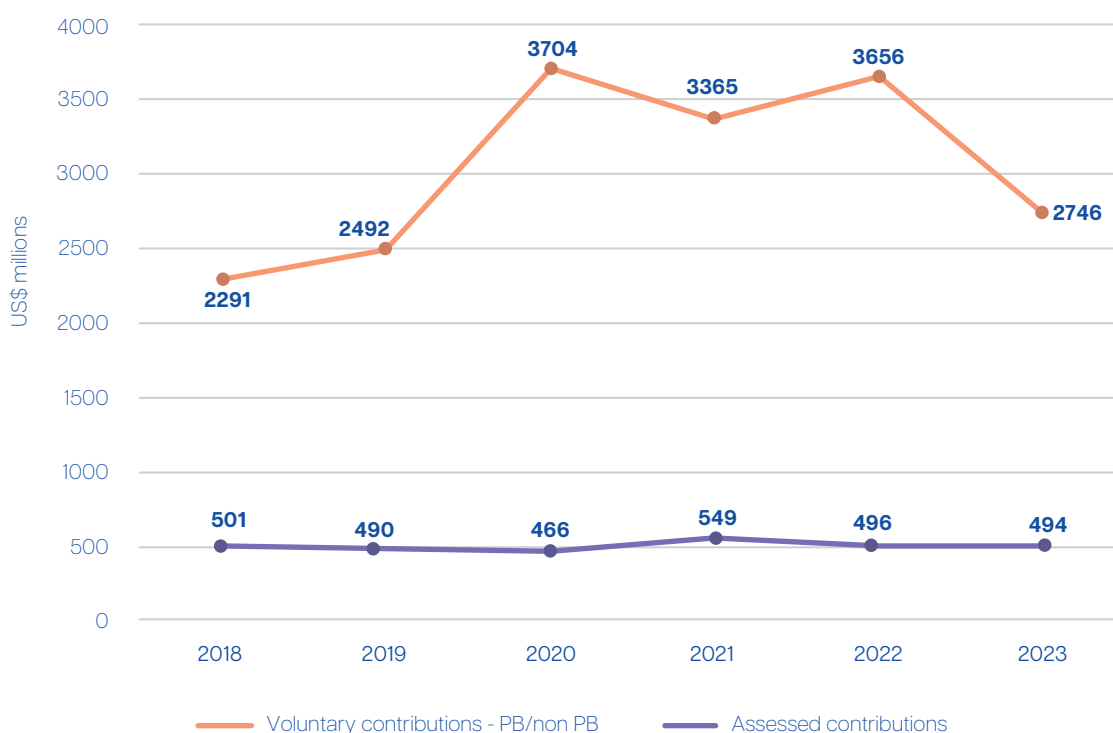


Fig. 8. Contributions to the Programme budget in 2023 (US\$ millions)

Collections
US\$ 367 million

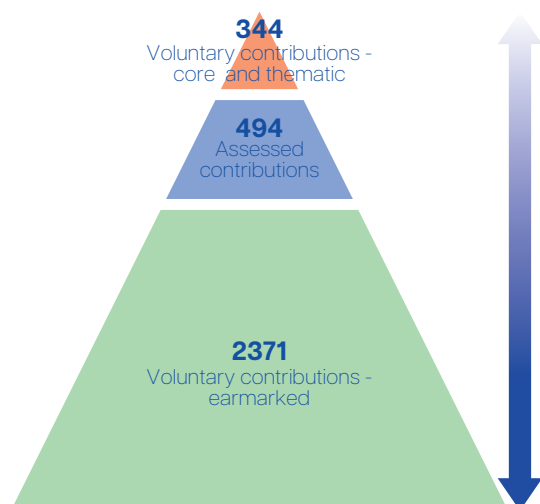


Outstanding assessed contributions
US\$ 140 million

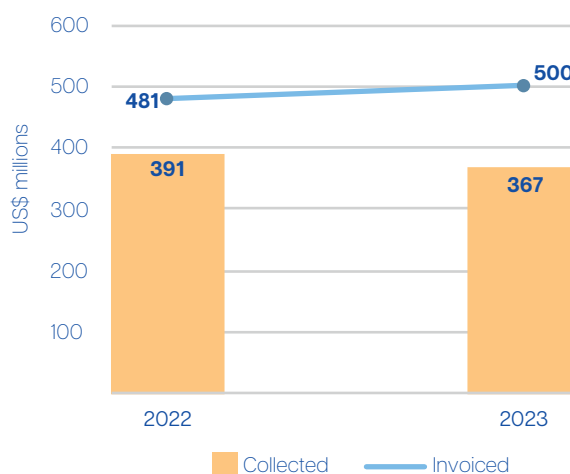


Collection rate
73%

VOLUNTARY AND ASSESSED
CONTRIBUTIONS TO THE PROGRAMME
BUDGET IN 2023 (US\$ MILLIONS)



ASSESSED CONTRIBUTIONS -
INVOICED AND COLLECTED



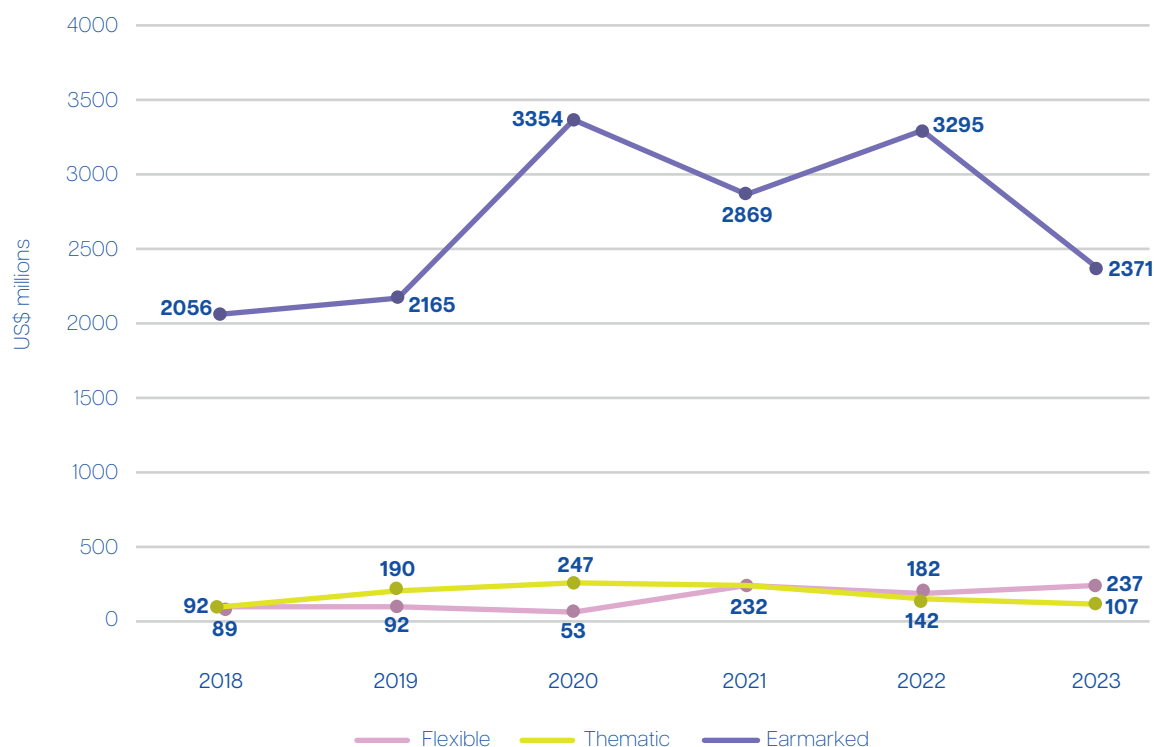
In 2023, the annual collection rate of assessed contributions fell to **73%** compared with **81%** in 2022. The current year outstanding contribution at 31 December 2023 was **US\$ 140 million** compared with **US\$ 90 million** at 31 December 2022.

Assessed contributions are payable by all Member States annually and are due at the start of each year. The amount paid by each Member State is set according to the WHO scale of assessments. In 2023, the annual collection rate of assessed contributions fell to 73% (2022: 81%). The total volume of current year outstanding assessed contributions was US\$ 140 million as at 31 December 2023, an increase of US\$ 50 million over 2022. Member States are encouraged to improve the timeliness of their payment of assessed contributions and reduce the amounts outstanding, in order to meet their commitments and contribute to improving the sustainable financing of WHO.

Voluntary contributions

Of the total revenue of US\$ 3341 million in 2023, US\$ 2746 million (82%) came from voluntary contributions (2022: US\$ 3656 million), of which US\$ 2720 million was used to fund the Programme budget and the remainder to fund other activities. Of the total reduction in revenue of US\$ 1013 million, US\$ 904 million relates to voluntary contributions to the Programme budget.

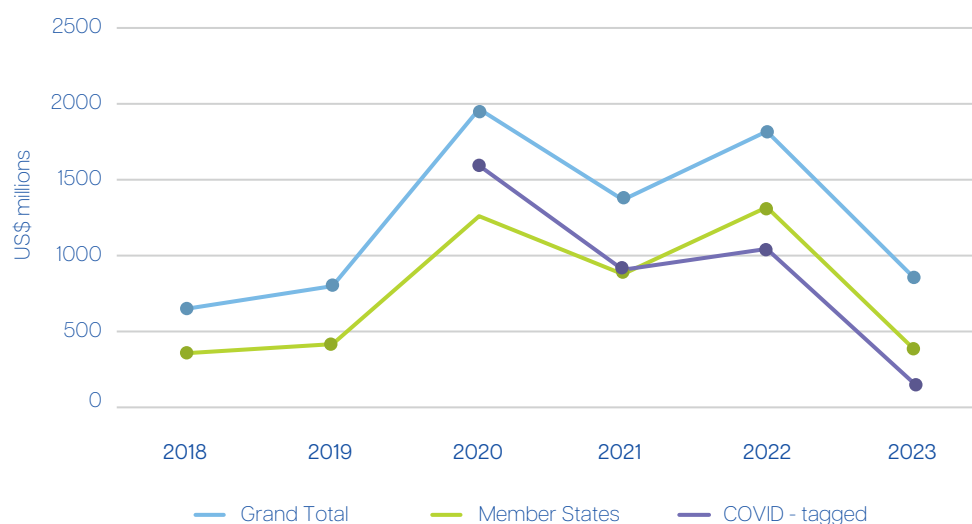
Total revenue from Programme budget voluntary contributions increased by 34% between 2018 and 2023, to US\$ 2720 million, which has helped to

Fig. 9. Voluntary contribution revenue (Programme budget) for 2018–2023 (US\$ millions)

finance WHO's growing programme of work. Of the voluntary contributions of US\$ 2720 million in 2023, US\$ 344 million (13%) was fully flexible or thematic (designated to support high-level outcomes), while US\$ 2371 million (87%) was earmarked for specified programmes (Fig. 9). The remaining US\$ 5 million is the increase in the provision for doubtful debts.

Within the total earmarked funding of US\$ 2371 million, 36% was for the emergencies programmes (2022: 55%), 22% for polio (2022: 19%) and 42% for other segments of the Programme budget (2022: 26%).

Emergency funding fell by US\$ 965 million to US\$ 860 million in 2023, a 52% decrease compared with 2022 (Fig. 10). A major factor contributing to the overall decrease was COVID-19 no longer being a global health emergency. COVID-19 funding fell to US\$ 166 million in 2023, or 19% of emergency funding, compared with US\$ 1049 million, or 57%, in 2022. Contributions to future years for emergencies also fell, from US\$ 182.5 million in 2022 to US\$ 145.6 million in 2023.

Fig. 10. Trend in emergency funding for 2018–2023 (US\$ millions)

Decreases were also seen in funding for the polio programme by almost US\$ 100 million in 2023 compared with the record year for the polio programme of 2022, albeit returning to previous funding levels. However, specified contributions increased by US\$ 153 million, or 19%, compared with 2022.

The proportion of flexible and thematic funding from voluntary contributions increased by US\$ 20 million to US\$ 344 million in 2023, funded by 19 Member States, a small yet positive step compared with the decline in 2022.

Contributions from Member States, which in 2022 reached a record high of US\$ 2255 million, decreased by US\$ 921 million to US\$ 1334 million in 2023, a reduction from 62% to 49% of total voluntary contributions to the Programme budget. Of this reduction, revenue from Member States where WHO programmes were implemented (programme countries) fell from US\$ 441 million to US\$ 291 million. Of the US\$ 291 million, US\$ 145 million was revenue from assessed contributions from 151 Member

States and US\$ 146 million was from voluntary contributions. Of the voluntary contributions, US\$ 93 million was received directly from 20 programme countries (2022: 23 countries), and a further US\$ 53 million came from 28 programme countries (2022: 29 countries), funded through development bank loans and other financing partners.

Revenue from non-State actors increased by US\$ 63 million, or 11%, to US\$ 638.7 million in 2023, and now provides 23% of total Programme budget revenue. Revenue from United Nations agencies, intergovernmental organizations and international financial institutions, fell by US\$ 94 million, or 17%, to US\$ 456 million, reaching 17% of total Programme budget revenue.

In 2023, 49% of voluntary contributions to the Programme budget came from Member States, 17% from entities of the United Nations system and other international organizations, 17% from philanthropic foundations, 11% from partnerships and the remaining 6% from various categories of non-State actors.

Financing provided through multiyear agreements facilitates longer-term planning. From the total Programme budget voluntary contribution revenue of US\$ 2720 million in 2023, US\$ 920 million (34%) came from multiyear agreements (2022: US\$ 818 million). Multiyear agreements committed for future years (2024 and beyond) fell to US\$ 884 million (2022: US\$ 964 million), of which only 8% is fully flexible or thematic funding (2022: 16%). The revenue for these will be recognized in the respective future years.

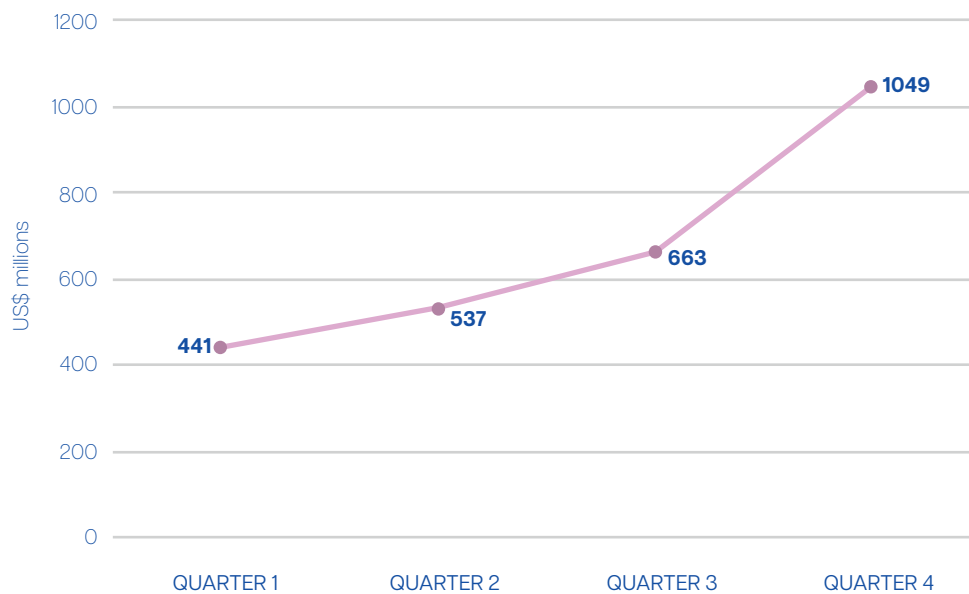
Timing of voluntary contributions

Contributions need to be received promptly to enable effective programme implementation. In 2023, 64% of agreements for voluntary

contributions were recorded during the second half of the year, which constrained programme planning and implementation and led to higher balances of unspent contributions at the end of the year (Fig. 11).

WHO received revenue through approximately 1200 agreements for Programme budget voluntary contributions during 2023. Of these, 62 were for US\$ 10 million or more, amounting to a total of US\$ 1430 million. The balance of US\$1290 million is contributed through over 1100 agreements. While welcoming every contribution of funding which reflects the generosity of our funding partners, the large number of smaller agreements generates a significant administrative burden for the Organization, especially in cases where the contributions are more strictly earmarked.

Fig. 11. Timing of revenue agreements signed for voluntary contributions to the Programme budget in 2023 (US\$ millions)



Cost recovery

WHO made every effort to recover the programme support costs of servicing activities through a charge on voluntary contributions expenses.

In 2023, WHO recovered programme support costs income of US\$ 274.5 million on project expenses, resulting in an average programme support costs rate of 8.32% (2022: US\$ 252.3 million, or 8.54%). This slight decrease reflects higher volumes of project expenses and a change in the mix of resources towards contribution agreements with lower programme support costs rates.

While infrequent, programme support costs waivers continue to be requested by funding partners. During 2023, 13 waivers were granted for new projects or extended, the financial impact of which, in terms of programme support costs income not collected, will be US\$ 3.5 million over the lifetime of these awards.

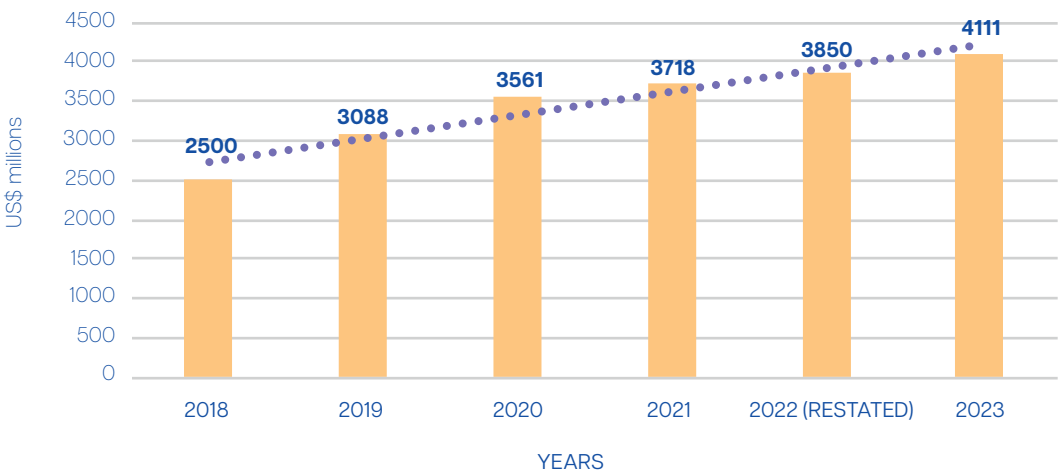
EXPENSES

In 2023, WHO increased its level of programme delivery, with total expenses reaching US\$ 4111 million, an increase of US\$ 251 million (7%) compared with 2022, another record level for the Organization (Fig. 12).

Programme delivery in 2023
US\$ 4111 million
Increase of US\$ 251 million
compared with 2022 (restated)



Fig. 12. Trend in WHO programme delivery for 2018–2023



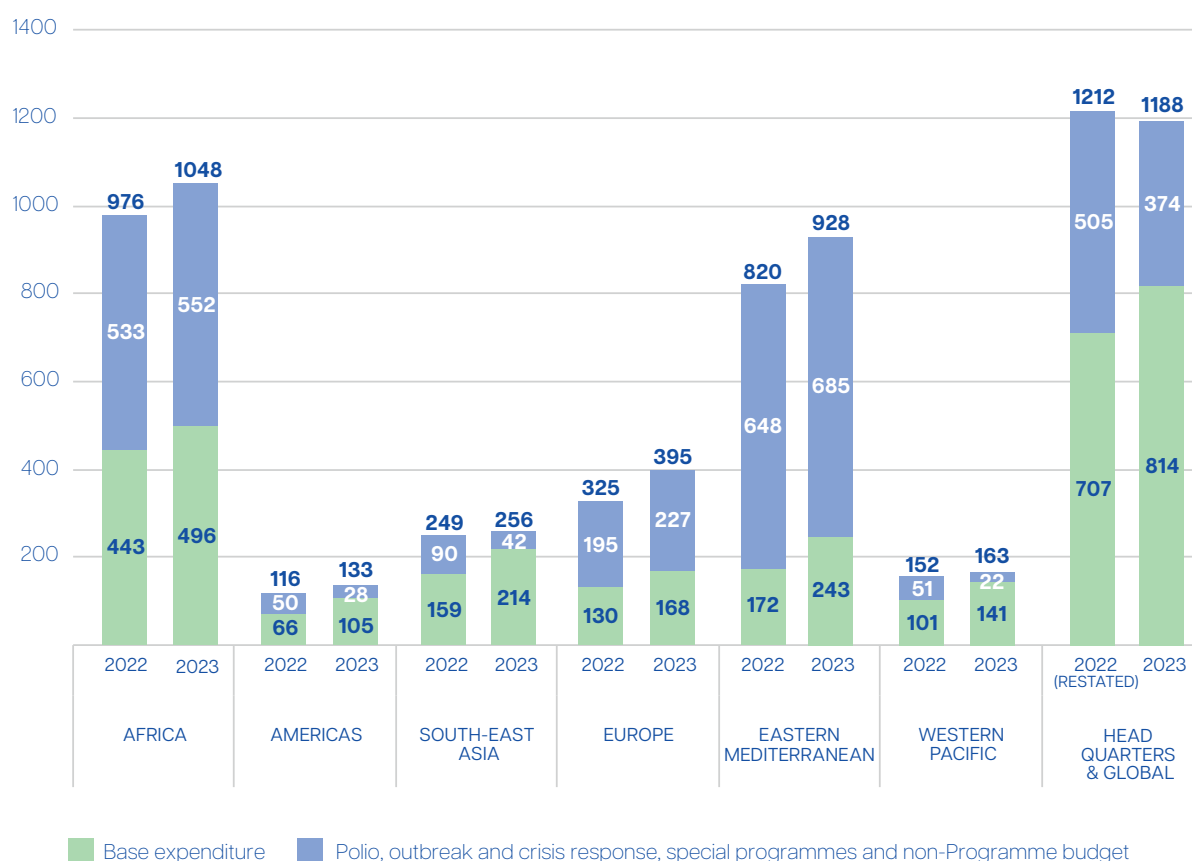
Of the total expenses of US\$ 4111 million in 2023, US\$ 2180 million was related to the base segment (2022: US\$ 1724 million), thereby achieving 79% of planned delivery for the biennium 2022–2023. In total, US\$ 1200 million was disbursed to support health emergencies (2022: US\$ 1112 million), achieving 231% implementation against the US\$ 1 billion estimate within the Programme budget 2022–2023. US\$ 568 million was disbursed in delivering the polio programme (2022: US\$ 482 million), resulting in 188% implementation of the approved Programme budget. The remaining US\$ 163 million was used to support in-kind, special arrangements and other non-Programme budget activities.

Expenses by WHO regions and headquarters

Of the total expenses of US\$ 4111 million in 2023, expenses in the WHO regional offices amounted to US\$ 529 million, a slight decrease of US\$ 23 million compared with 2022, and in country offices expenses amounted to US\$ 2394 million, an increase of US\$ 308 million compared with 2022. The total expenses at headquarters amounted to US\$ 1188 million, a decrease from US\$ 1212 million in 2022 (restated). Total expenses increased in the European Region by 22%, in the Region of the Americas by 15%, in the Eastern Mediterranean Region by 13%, and in the African and Western Pacific regions by 7%, compared with 2022.

Expenses at headquarters decreased by 2%. Fig. 13 summarizes the total expenses by major office and budget segment.

Fig. 13. Expenses by WHO region and headquarters for 2022 and 2023 (US\$ millions)



Expenses by type

Contractual services

Contractual services remain the largest expenses category, accounting for US\$ 1585 million (39%) of total expenses, an increase of US\$ 248 million (19%) compared with 2022 (US\$ 1337 million). It consists mainly of costs incurred in engaging experts and service providers to support programmatic activities (Fig. 14)

The largest component was general contracts for programme services, at US\$ 961 million, a 23% increase from 2022. Of this total, US\$ 493 million (51%) was for the base programme, US\$ 299 million (31%) was for emergencies programmes, US\$ 91 million (10%) for the polio and special programmes, and the remaining US\$ 78 million (8%) for the non-Programme budget segment.

Of the US\$ 961 million, US\$ 624 million was spent in regions and countries, while US\$ 337 million was spent at headquarters. At headquarters, there was a net increase of US\$ 61 million compared with 2022, resulting from an increase of US\$ 50 million in the Programme budget segment and an increase of US\$ 11 million in the non-Programme budget segment.

US\$ 202 million was spent in the Eastern Mediterranean Region, an increase of US\$ 46 million compared with 2022. Of this increase, there was a US\$ 18 million increase in Pakistan for non-staff members and related services in support of polio and emergency activities; a US\$ 12 million increase in the Syrian Arab Republic for transportation, medical care, rehabilitation and the Expanded Programme on Immunization; and a US\$ 12 million increase in Lebanon for hiring medical staff and providing in-house and intensive hospital care management related to COVID-19. The remainder of the increase of US\$ 19 million was in neighbouring countries, offset by a decrease in contractual services of US\$ 15 million in Yemen.

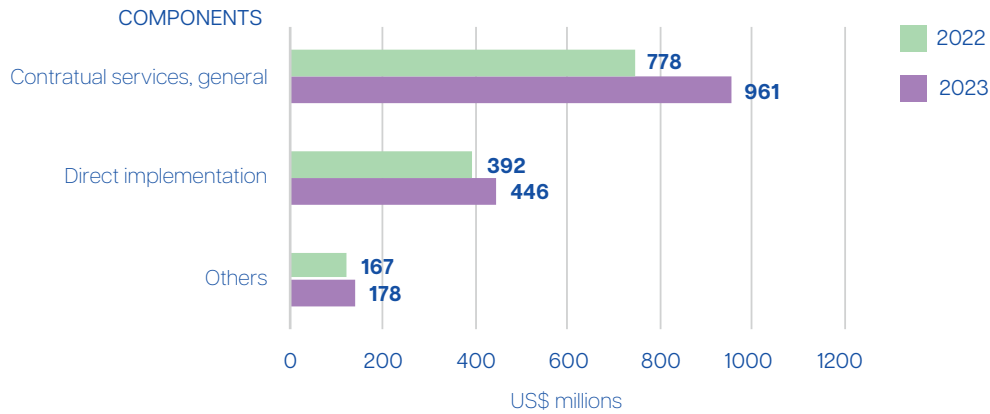
US\$ 171 million was spent in the African Region, an increase of US\$ 29 million compared with 2022. Of the US\$ 29 million increase, US\$ 27 million was spent in country offices, mainly for the base segment (US\$ 14 million) and polio programmes (US\$ 7 million). Increases in Ethiopia, Malawi, Mozambique, Nigeria and South Sudan amounted to US\$ 14 million, representing 52% of the overall increase in expenses.

US\$ 99 million was spent in the European Region, reflecting an increase of US\$ 25 million compared with 2022. Most of the increased expenses were in Romania, Türkiye, Ukraine and neighbouring countries.

The next largest expense was for direct implementation, accounting for US\$ 446 million in 2023 (2022: US\$ 392 million), an increase of 14%. US\$ 251 million (57%) was related to polio, of which US\$ 135 million was in the African Region and US\$ 116 million in the Eastern Mediterranean Region. US\$ 118 million (27%) was for emergencies programmes, and was largely spent in the Eastern Mediterranean Region (US\$ 60 million) and African Region (US\$ 57 million).

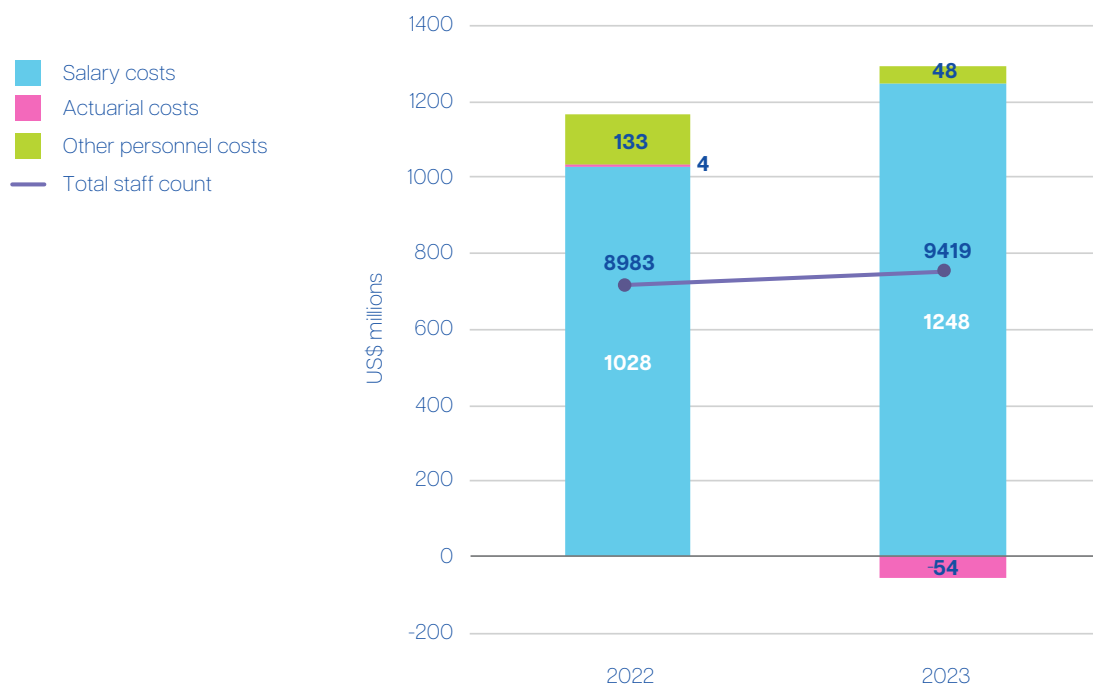
Expenses under polio increased by US\$ 65 million, whereas the base segment decreased by US\$ 17 million. The increase in polio expenses was mainly attributed to increases in the Democratic Republic of the Congo by US\$ 33 million, in Madagascar by US\$ 11 million, in Afghanistan by US\$ 11 million, and by US\$ 28 million in other country offices, offset by a decrease of US\$ 15 million in the United Republic of Tanzania, and by a decrease of US\$ 3.5 million in other country offices.



Fig. 14. Contractual services composition in 2022 and 2023 (US\$ millions)**Staff costs**

The total staff headcount increased by 5% to 9419 in 2023, compared with 8983 in 2022. In line with the increase in the total staff headcount, staff costs rose by 7% to US\$ 1242 million in 2023 (2022: US\$ 1164 million). The increase of US\$ 78 million is due

to a combination of the increase in the total staff headcount and salary costs, which were offset by a reduction in other staff costs and the actuarial gains calculated for employee benefits (Fig15). Of the total expenses in 2023, staff costs remain the second largest expenses category after contractual services, accounting for 30% of total expenses.

Fig. 15. Staff costs composition in 2022 and 2023 (US\$ millions)

Procurement of medical supplies

Total expenses on medical supplies amounted to US\$ 330 million in 2023, a decrease of 35% over 2022 (US\$ 511 million). Of the total, US\$ 305 million was related to the procurement of medical supplies and US\$ 25 million to donated in-kind supplies. Compared with 2022, the procurement of medical supplies decreased by 24% (US\$ 97 million) and in-kind supplies decreased by 77% (US\$ 85 million). The significant decrease in in-kind donations was in the emergency response programmes, including in Ukraine, and in polio-related activities in the African Region. However, there were some increases in the procurement of medical supplies in the Eastern Mediterranean Region for emergencies programmes in Lebanon, Sudan and the Gaza Strip, and in the African Region in the Democratic Republic of the Congo, Equatorial Guinea and South Sudan.

Transfers and grants

Transfers and grants to counterparts amounted to US\$ 464 million in 2023, representing 11% of total expenses, similar to 2022. Of this total, US\$ 152 million (33%) of expenses were incurred in the Eastern Mediterranean Region, followed by US\$ 140 million (30%) in the African Region and US\$ 87 million (19%) in the European Region.

The largest component was equipment procured for and transferred to third parties, at US\$ 199 million, a 55% increase from 2022. The increase was mainly due to the procurement and transfer of medical equipment and supplies for Egypt, Lebanon, the Islamic Republic of Iran, Pakistan, Somalia, the Syrian Arab Republic and the Gaza Strip in the Eastern Mediterranean Region, and for Ukraine and neighbouring countries in the European Region.

The second largest component was direct financial cooperation (DFC) agreements, at US\$ 156 million, a 20% decrease from 2022. This decrease was mainly in polio campaigns in the African Region, which were instead implemented through direct implementation, and reductions in the polio campaign in Yemen in the Eastern Mediterranean Region and in the COVID-19 vaccination programme in Bangladesh in the South-East Asia Region. The third largest component was grant letters of agreement (GLOAs), at US\$ 108 million, a 20% decrease from 2022. This reduction was mainly due to emergency activities in Afghanistan now being implemented through direct implementation.

Travel

Total travel costs for 2023 were US\$ 231 million (2022: US\$ 161 million), or 5.6% of total expenses (2022: 4.2%), an increase of US\$ 70 million (43%) compared with 2022. This reflects the return to a level of travel similar to the pre-COVID-19 level (Table 1), albeit at a proportionally lower level of total expenses (accounting for 5.6% in 2023, compared with 7.2% in 2019). Travel costs incurred in the regions and country offices amounted to US\$ 152 million (a 43% increase from 2022), and at headquarters amounted to US\$ 79 million (a 45% increase from 2022).

Of the total travel costs, 45% was for staff (2022: 44%), 20% for meeting participants (2022: 16%), 21% for consultants (2022: 28%) and 14% for others (2022: 13%). The increase in the average cost per travel by 6% reflects the increased costs of tickets due to inflation and higher energy costs.

Table 1. Trend in travel cost components, 2019–2023

Travel cost components	2019	2020	2021	2022	2023
Total travel cost (US\$ thousand)	222 369	83 900	78 227	161 912	230 820
Travel cost as % of total WHO expenses (US\$ thousand)	7.2%	2.4%	2.1%	4.2%	5.6%
No. of travels	124 053	49 529	50 639	93 837	129 035
Average cost per travel (US\$)	1735	1713	1516	1661	1766
Average cost per ticket (US\$)	954	759	731	1030	1149
Average per diem cost	1169	1474	1296	1182	1150



FINANCIAL POSITION

The financial position of the Organization is summarized in Table 2.

WHO continues to maintain a strong positive net asset position on its balance sheet. Net assets

decreased by US\$ 483 million to US\$ 4532 million, reducing financial assets and cash by US\$ 576 million, reflecting the drawing down of unspent funds from previous years to fund the increased level of programme delivery and the fall in contributions received (Fig. 16).

Table 2. Summarized financial position as at 31 December 2023

US\$ millions	2023	2022 (restated)	Change
Assets	7231	7807	(576)
Financial assets and cash	4924	5446	(522)
Fixed assets	273	232	41
Receivables	1857	1936	(79)
Other assets	177	193	(16)
Liabilities	2699	2792	(93)
Borrowing	163	123	40
Deferred and advance contributions	1021	1063	(42)
Staff related	355	459	(104)
Inter-entity liabilities	859	852	7
Other liabilities	301	295	6
Net assets	4532	5015	(483)

Fig. 16. Trend in accumulated surplus 2018-2013 (US\$ millions)



The reduction of US\$ 104 million in staff-related liabilities, primarily for after-service health insurance, is the result of net favourable movements of US\$ 281 million (related to contributions from participants, gains and interest from investments and actuarial factors) and net unfavourable movements of US\$ 177 million (related to actuarial adjustments due to changes in the global financial environment, demographic factors, and entitlements earned by scheme participants).

This positive development should be viewed in a long-term context, as any future drop in interest rates would cause the valuation of these staff-related liabilities to increase once more. To illustrate the sensitivity of the actuarial valuation of these liabilities to the discount rate, an increase of 1% in the discount rate would reduce the valuation of the liabilities by US\$ 310 million, and a reduction of 1% in the discount rate would increase the valuation of the liabilities by US\$ 330 million.

Consequently, WHO is maintaining its existing strategies to fund the after-service staff liabilities over the long term.

RESERVES

As at 31 December 2023, WHO had total net assets of US\$ 4532 million, as set out in Table 3. Of this, the **General Fund** available balance of US\$ 4090 million is mainly composed of US\$ 2988 million of earmarked funds (73%) for donor-specified programmes, corporate reserves of US\$ 922 million (23%), and flexible funds of US\$ 180 million (4%) (Table 3). Corporate reserves comprise the Tax Equalization Fund, Working Capital Fund and Support Costs Fund.

Total earmarked reserves were US\$ 2988 million, a decrease of 18% from US\$ 3660 million in 2022 (Table 3). The proportion of reserves earmarked varies by budget segment: 60% of the reserves were attributable to the base segment, and 40% were attributable to the emergencies, polio and special programmes.

Table 3. WHO total net assets as at 31 December 2023 (US\$ millions)

General Fund (Programme budget)	2023	2022 (restated)
Earmarked for programmes	2988	3660
Corporate reserves	922	747
Flexible	180	223
Total General Fund	4090	4630
Member States (non-Programme budget)	2023	2022 (restated)
Earmarked in surplus	761	754
Earmarked in deficit ^a	(366)	(432)
Total Member States	395	322
Fiduciary Funds	47	63
Total	4532	5015

^a Staff Health Insurance Fund, Building Loan Fund, Terminal Payments Fund and Special Fund for Compensation.

Within the earmarked reserves of US\$ 2988 million, the level of funding for the Programme budget 2024–2025 (US\$ 6834 million) varies by budget segment. The level of funding is 90% for emergencies programmes, 36% for base programmes, 32% for polio programmes and 40% for special programmes (Fig. 17).

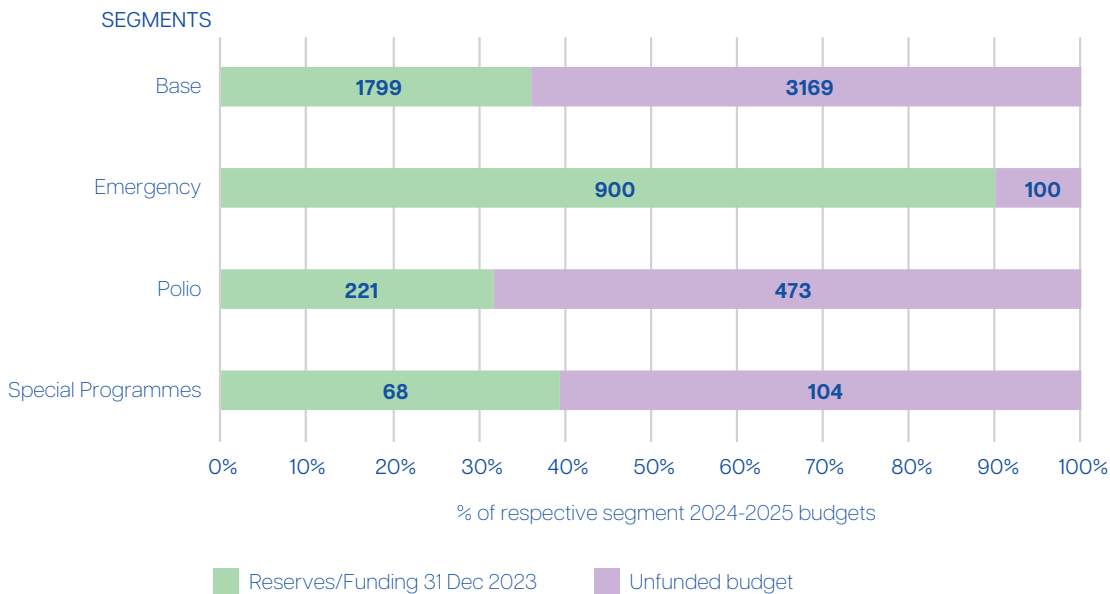
In addition, unearmarked flexible reserves that can be used for approved programme budget activities decreased from US\$ 223 million in 2022 to US\$ 180 million in 2023.

The **Member States Fund**, which is earmarked to pay for long-term employee benefit liabilities, the Organization’s infrastructure and other

miscellaneous operational purposes, increased by US\$ 73 million to US\$ 395 million in 2023, compared with US\$ 327 million in 2022. This increase for the second year in a row was due to the favourable actuarial valuation of the employee benefit liabilities.

The **Fiduciary Funds** include the assets of the partnerships that are managed by WHO in a trustee capacity, and whose budgets are not approved by the Health Assembly and cannot be applied in respect of the Organization’s own programmes. Fiduciary Funds decreased by 25% in 2023 to stand at US\$ 47 million.

Fig. 17. General Fund available balance for 2024–2025 (US\$ millions)



ASSETS

Investments

WHO's funds are co-mingled with those of the Staff Health Insurance (SHI) Fund, UNAIDS, Unitaïd and the United Nations International Computing Centre, and are managed in accordance with the Organization's investment policy. The WHO Treasury works with international investment managers to ensure that the credit quality, security and liquidity of WHO's investments are maintained to the highest standards so that the funds are available to finance the Organization's objectives.

In 2023, WHO's total investments decreased by US\$ 522 million (10%), from US\$ 5446 million to US\$ 4924 million. Total investments in 2023 consist of US\$ 4492 million in short-term investments (2022: US\$ 4916 million), US\$ 107 million in long-term investments (2022: US\$ 100 million) and US\$ 325 million in cash and cash equivalents (2022: US\$ 430 million). The total short- and long-term investments decreased by US\$ 417 million in 2023 compared with 2022 (Fig: 18).

WHO continues to invest its funds conservatively in short-term investments, with the primary objective

Investments

US\$ 4924 million

Decrease of US\$ 522 million compared with 2022

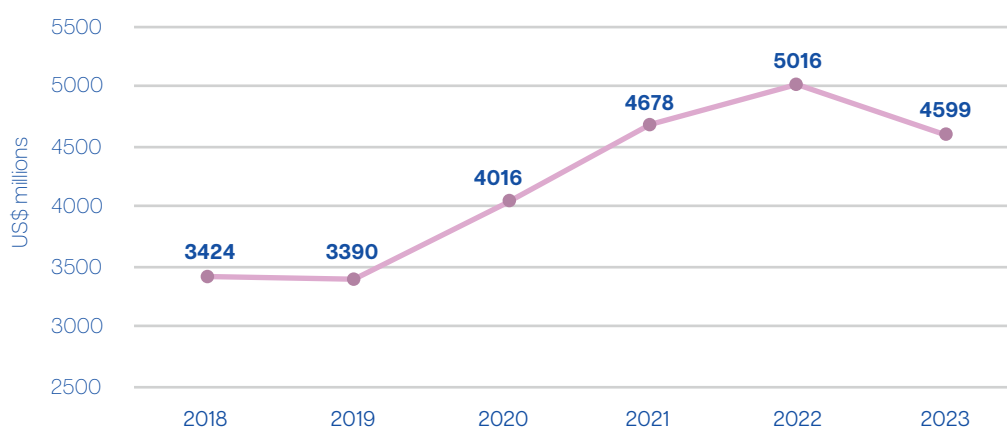


of capital preservation. The funds are invested with a minimum single A credit rating in a portfolio of internally managed short-term bank deposits, and in three portfolios of short-term fixed-income instruments (bonds) managed by reputable international investment managers.

WHO's short-term investments earned 5.29% during 2023, which was their highest return in 16 years, and much higher than the 0.5% earned in 2022, which had been the worst year for short-term fixed-income bond investments in at least 30 years.

This high level of returns was driven by increases in market interest rates. At the time of writing, the financial markets expect the short-term interest rates during 2024 to decrease. As a result, interest earnings on short-term investments in 2024 are expected to be somewhat lower than the 5.29% earned in 2023.

Fig. 18. Trend in WHO short- and long-term investments (2018–2023)



Inventory

WHO inventories, valued at US\$ 170 million as at the end of 2023, consist of medicines, vaccines, humanitarian supplies and publications that are stored for distribution from warehouses globally. In 2023, total additions to the warehouses amounted to US\$ 114 million (2022: US\$ 207 million) and total shipments from the warehouses amounted to US\$ 141 million, with US\$ 19 million inventory in transit, resulting in a closing balance of US\$ 170 million (2022: US\$ 178 million). Following a rapid rise in the purchase and distribution of inventory during the COVID-19 pandemic, volumes have since fallen, suggesting a period of stabilization (Fig. 19)

Foreign exchange risk management

WHO manages foreign exchange hedging programmes to minimize the risk of exchange rate movements, provide exchange rate stability over an extended period, and delay the impact of significant

exchange rate movements. In 2023, the receivables hedging programme generated losses of US\$ 6.5 million, which was offset by the foreign exchange gains recorded on the non-US\$ receivables. The expenses hedging programme generated a net gain of US\$ 6.2 million, which offset the increased US\$ cost of the non-US\$ expenses.

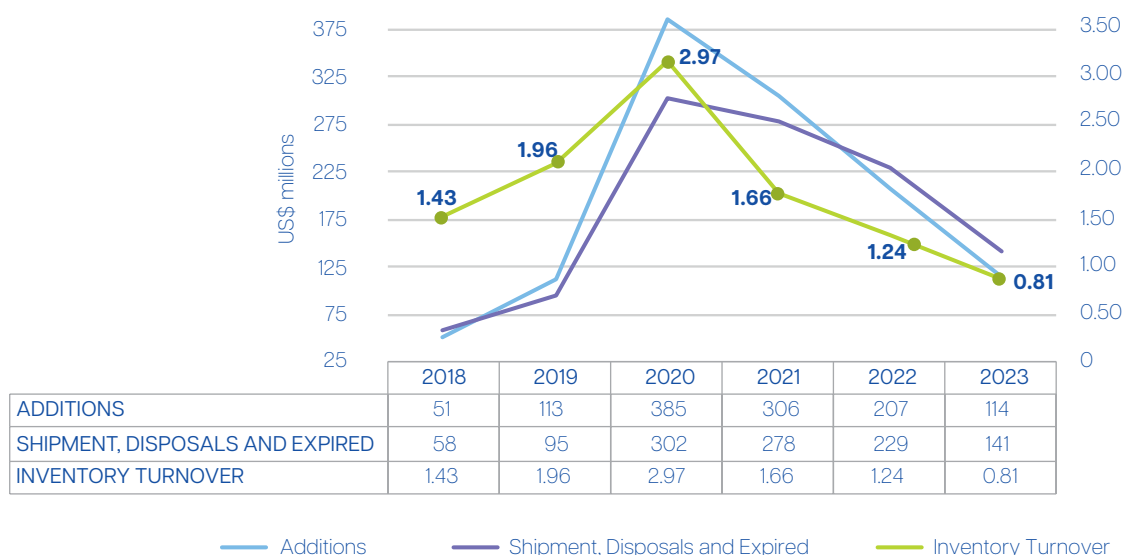
Financing employee liabilities

The assets held by WHO are required to settle future liabilities, the largest of which relate to accrued staff benefits, such as Staff Health Insurance (SHI).

Staff Health Insurance

WHO manages a health insurance programme for active and retired staff, and this programme carries a liability for future health costs payable calculated from actuarial projections. WHO has a long-term financing and investment strategy to manage the after-service health insurance (ASHI) liability.

Fig. 19. Trend in WHO inventory movement, 2018–2023 (US\$ millions)
(Medicines, vaccines, humanitarian supplies and publications)



The funding of the liability increased to 88% (2022: 81%) and the net liability decreased by US\$ 94 million to US\$ 184 million in 2023, down from US\$ 278 million in 2022 (Fig. 20), mainly due to the impact of favourable fund asset returns, which offset unfavourable movements in discount rates and demographic changes.

As at 31 December 2023, the SHI portfolios of funds invested for WHO and hosted entities by external investment managers totalled US\$ 1682 million, which was invested in long-term global bonds, equities and real estate funds, generating a return of US\$ 192 million (13%) during the year. These investments and income are included in the SHI Financial Report, and the long-term liability is included in the WHO Financial Report.

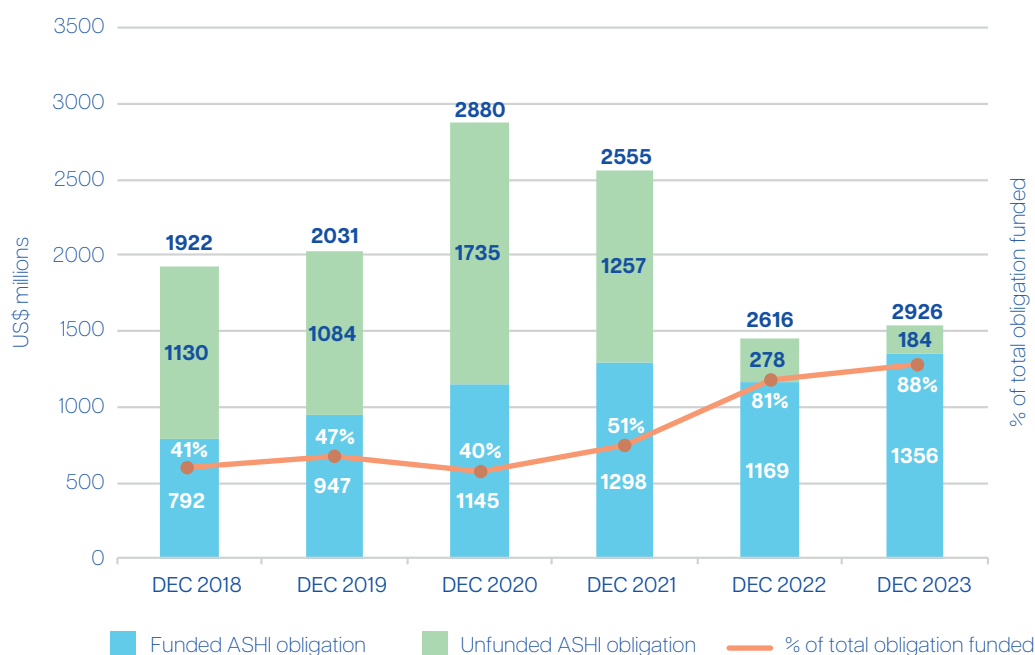
The performance of the SHI investments in 2023 should be viewed from a long-term perspective. The SHI investment portfolio is structured with a long-term time horizon to match the long-term nature of its future expenses. Annual investment

market returns are variable, and years of higher and lower performance are to be expected.

The decrease in long-term interest rates that contributed to the strong performance of the investments also led to a decrease in the discount rate, which is used to calculate the value of the future liabilities of the SHI Fund. This caused the actuarial valuation of the future liabilities to increase, but was more than offset by the increase in the value of the investments. As a result, the funded ratio of the SHI Fund's assets to its long-term liabilities increased from 81% in 2022 to 88% in 2023.

The remaining US\$ 169 million of staff benefit liabilities relates to the Terminal Payments Fund, the Accident and Illness Insurance and the Special Fund for Compensation, against which US\$ 125 million (74%) of funding is available. The unfunded element of these liabilities will be financed in the long term, as noted above.

Fig. 20. Staff Health Insurance (SHI) funding for 2018–2023 (US\$ millions)



CONTROL AND OVERSIGHT

In its role as the custodian of Member States' and donors' contributions, WHO maintains an effective internal control environment across the Organization. A detailed statement of internal control over financial reporting is included in this report, a process that has been strengthened in line with WHO's commitment to improve transparency, efficiency, accountability and compliance within the Secretariat implementation plan on reform.

Good progress was made in 2023 in closing recommendations from past audits that remained open, enabling them to be closed. There were 97 outstanding recommendations up to 2023, of which management proposed 50 for closure. Of the recommendations proposed for closure, 31 were confirmed as implemented by the External Auditor, one was overtaken by events and the others were considered as either pending implementation or being implemented.

CONCLUSION

The 75th anniversary of WHO served as a powerful reminder of how working together in solidarity has enabled us to rise to complex challenges in the past and will continue to do so in the future.

The highlights provided above of our work in 2023 are a testament to the close collaboration of Member States and the Secretariat to deliver on our promises. WHO's record level of programme delivery demonstrates our continued achievements in improving health and making real progress towards our founding vision of the highest attainable standard of health as a fundamental right of all people, without distinction.

Member States expect a return on their investment in the shape of a more effective and efficient WHO; a WHO that delivers a measurable impact. We remain committed to delivering the changes Member States have asked for through the Secretariat implementation plan on reform, to further enhance performance and to strengthen budgetary, programmatic, finance and governance and accountability processes.

However, there is still more work to be done, and 2024 promises to be another very important year for WHO. I thank Member States and all donors for their trust and support.



Dr Tedros Adhanom Ghebreyesus
Director-General

Geneva, 15 March 2024

2023 STATEMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

SCOPE OF RESPONSIBILITY

The Director-General of the World Health Organization is accountable to the World Health Assembly for the administration of the Organization and the implementation of its mandates, programmes and other activities. Under Financial Regulations I and XII, the Director-General is accountable for maintaining a sound system of internal control, including internal audit and investigation, to ensure the effective and efficient use of the Organization's resources and the safeguarding of its assets. Pursuant to Financial Regulation I, the Director-General has delegated authority and accountability to Regional Directors, Deputy Directors-General, Assistant Directors-General, Executive Directors, Directors, WHO Heads of Country Offices and other relevant staff. Every individual in the Organization has, to varying degrees of responsibility, a role to play in internal control.

WHO'S OPERATING ENVIRONMENT

WHO operates globally, sometimes in very challenging environments. The Organization is therefore exposed to situations with a high level of inherent risk, operating in a context of increased involvement in emergency operations in conflict-affected and fragile settings. Strategic decisions are taken, where necessary, to adapt operations and to manage and mitigate the risks to which its staff are exposed. In addition, the Organization faces a considerable level of risk owing to the complexities of its operations and the scope of its mandates.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

WHO's internal control framework, together with its accountability framework and risk management framework, are critical systems and structures which ensure that the Organization achieves its mandate and objectives. The frameworks are integrated and mutually supportive; for example, accountability is a key environmental control element within the internal control framework, while internal controls are critical in supporting elements of the accountability framework and may constitute risk response measures. Fit-for-purpose internal controls support WHO in mitigating its risks appropriately. Well-grounded risk management and internal control policies, systems and processes help to better understand the risks to which the Organization is exposed, ensure that appropriate accountabilities and controls are in place to address those risks, and effectively carry out the Organization's activities.

The Secretariat's internal control system is composed of regulations, rules, administrative issuances, policies, processes and procedures with which staff members are obliged to comply. The internal control system provides reasonable assurance regarding the prevention or timely detection of risks to assets that could have a material effect on the financial statements.

RESPONSIBILITY FOR INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the system of internal control over financial reporting, designed to mitigate risks related to financial reporting to provide reasonable assurance that the Organization's financial statements are reliable and have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and the WHO Financial Regulations and Financial Rules. The Comptroller and Director of Finance has responsibility for establishing and maintaining the system of internal control over financial reporting for execution by management.

REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

WHO maintains reporting and disclosure controls and procedures designed to provide reasonable assurance that the information necessary for reporting and disclosure is collected and communicated to management in a timely fashion. In designing and evaluating these controls, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Furthermore, management is required to use judgment in evaluating controls and procedures. The following activities informed the review of the effectiveness of internal controls over financial reporting:

- (a) The annual **internal control framework self-assessment**, undertaken by all WHO country offices, regional offices and departments at headquarters. Each responsible office manager was asked to review all key controls and their effectiveness, supporting their responses with evidence and actions taken or planned. The results of the self-assessment exercise were compiled by the Department of Compliance, Risk Management and Ethics and carefully reviewed. Action plans have been developed to address areas for improvement, where applicable.
- (b) A **risk assessment**, undertaken by the Department of Finance, on the risk that a material misstatement in the financial statements would be prevented or detected on a timely basis, and whether the mitigating controls are operating effectively, including changes that could significantly impact the internal control over financial reporting. The risk areas identified are addressed through communication to the responsible business owners.
- (c) An analysis of various review reports, trends, performance indicators and financial information on various **management dashboards**, which provide real-time financial data to senior management, and the WHO oversight bodies.
- (d) **Quarterly financial reviews** of the regional and country offices, undertaken by the Department of Finance, whereby (i) financial items as recorded are compared with the expected amounts and any significant

differences are investigated; (ii) unexpected deviations are examined to uncover potential errors and material misstatements or unanticipated significant changes in the business activities that may require accounting adjustments and disclosures; and (iii) accounts are reconciled to the general ledger and the reasonableness is evaluated through analytical reviews.

- (e) **Recommendations**, issued by the Office of Internal Oversight Services, the External Auditor, and the Independent Expert Oversight Advisory Committee. These recommendations provide objective information on compliance and the effectiveness of controls. Actions to address the recommendations are tracked and monitored.
- (f) The **2023 “letter of representation”**, which is signed by all Regional Directors, Deputy Directors-General and Assistant Directors-General. Informed by the risk assessment of financial reporting, the letter provides assurances of the effectiveness of the controls in place for financial reporting. All issues raised in such letters of representation are assessed when preparing the financial statements.

Furthermore, in the ordinary course of business, changes are made to systems and processes to improve controls, increase efficiency, or comply with changes to financial reporting needs, as prescribed by IPSAS, or enhancements requested by management. These changes have not materially affected WHO’s internal control over financial reporting as at 31 December 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IPSAS. Owing to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of the Organization’s internal control over financial reporting as at 31 December 2023. An evaluation was conducted of the effectiveness of the design and operation of WHO’s disclosure controls and procedures as at 31 December 2023. Management concluded that, based on its assessment, WHO’s internal control over financial reporting was effective as at 31 December 2023.

STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

According to Financial Regulation XIII – Accounts and Financial Statements, I certify that, to the best of my knowledge, information and belief, all material transactions have been properly registered in the accounting records and are properly reflected in these financial statements.

I acknowledge that:

- Management is responsible for establishing and maintaining adequate internal control over financial reporting.
- An evaluation of the effectiveness of our internal control over financial reporting was conducted as of December 31, 2023, based on WHO's Internal Control Framework, and the WHO Accountability Framework and Risk Management Framework.
- Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of 31 December 2023.

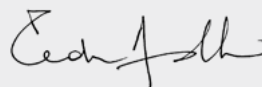


George Kyriacou
Comptroller and Director of Finance

Geneva, 15 March 2024

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

According to Financial Regulation XIII – Accounts and Financial Statements, the Financial Report for the World Health Organization for 31 December 2023 has been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) and the Financial Regulations of the World Health Organization and its Financial Rules. The financial statements for the year ended 31 December 2023, together with the notes to the statements and supporting schedules, have been reviewed and are approved.



Dr Tedros Adhanom Ghebreyesus
Director-General

Opinion of the External Auditor



भारत के नियंत्रक एवं महालेखापरीक्षक
COMPTROLLER & AUDITOR GENERAL OF INDIA

15 April, 2024

Opinion of the External Auditor on the Financial Statements of the World Health Organization for the financial year ended 31 December 2023

Dear Dr. Ghebreyesus,

Thank you for the Representation Letter in connection with our audit of the financial statements of the World Health Organization for the financial year ended 31 December 2023.

I have the honor to present to you the Audit Opinion, on the financial statements of the World Health Organization for the financial year ended 31 December 2023, which may kindly be transmitted to the Seventy-Seventh World Health Assembly.

I express my appreciation for the cooperation and assistance that I have received in the performance of my audit mandate.

Yours sincerely,

Girish Chandra Murmu

Dr. Tedros Adhanom Ghebreyesus
Director-General
World Health Organization
20, Avenue Appia
CH-1211
Geneva 27, Switzerland



भारत के नियंत्रक एवं महालेखापरीक्षक
COMPTROLLER & AUDITOR GENERAL OF INDIA

15 April, 2024

Opinion of the External Auditor on the Financial Statements of the World Health Organization for the financial year ended 31 December 2023

Your Excellency,

I have the honor to present to the Seventy-Seventh World Health Assembly the External Auditor's opinion, on the financial statements of the World Health Organization for the financial year ended 31 December 2023.

I record my appreciation to the World Health Assembly for the honor and privilege to serve as External Auditor of WHO.

Yours sincerely,

Girish Chandra Murmu

The President of the Seventy-Seventh World Health Assembly
World Health Organization
Geneva, Switzerland

INDEPENDENT AUDITOR'S REPORT

To the World Health Assembly

Opinion

We have audited the financial statements of the World Health Organization (WHO) which comprise the statement of financial position (statement I) as at 31 December 2023, the statement of financial performance (statement II), the statement of changes in net assets/equity (statement III), the statement of cash flow (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WHO as at 31 December 2023, and its financial performance, changes in net assets/equity, cash flow, and comparison of budget and actual amounts for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of WHO in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information, which comprises the information included in the Director General's Report for the year ended 31 December 2023, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of WHO to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate WHO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of WHO.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of WHO;
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

- (d) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of WHO to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the WHO to cease to continue as a going concern;
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of WHO that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the WHO Financial Regulations.

In accordance with Regulation XIV of the WHO Financial Regulations, we will also issue a longform report on our audit of the World Health Organization.



Girish Chandra Murmu
Comptroller and Auditor General of India

15 April 2024

Financial statements

World Health Organization

Statement I. Statement of Financial Position

As at 31 December 2023

(in US\$ thousands)

Description	Notes	31 December 2023	31 December 2022 (restated)
Current assets			
Cash and cash equivalents	4.1	324 639	430 091
Short-term investments	4.2	4 492 476	4 916 482
Receivables – current	4.3	1 427 629	1 538 127
Staff receivables	4.4	20 536	16 049
Inventories	4.5	170 286	178 288
Prepayments and deposits	4.6	7 079	14 685
Total current assets		6 442 645	7 093 722
Non-current assets			
Receivables – non-current	4.3	408 845	381 590
Long-term investments	4.2	106 942	99 767
Property, plant and equipment	4.7	272 091	230 978
Intangibles	4.8	393	893
Total non-current assets		788 271	713 228
TOTAL ASSETS		7 230 916	7 806 950
LIABILITIES			
Current liabilities			
Contributions received in advance	4.9	117 018	73 836
Accounts payable	4.10	89 334	68 694
Staff payable	4.11	1 873	1 926
Accrued staff benefits – current	4.12	78 147	91 583
Deferred revenue – current	4.13	494 933	606 081
Financial liabilities	4.2	19 302	68 948
Other liabilities – current	4.14	190 503	158 419
Inter-entity liabilities	4.15	858 595	852 092
Long-term borrowings – current	4.16	4 069	3 682
Total current liabilities		1 853 774	1 925 261
Non-current liabilities			
Long-term borrowings – non-current	4.16	158 828	119 319
Accrued staff benefits – non-current	4.12	275 081	365 641
Deferred revenue – non-current	4.13	408 845	381 590
Other liabilities – non-current	4.14	2 251	199
Total non-current liabilities		845 005	866 749
TOTAL LIABILITIES		2 698 779	2 792 010
NET ASSETS/EQUITY			
General Fund	6.1	4 090 401	4 630 457
Member States – other	6.2	394 765	321 657
Fiduciary funds	6.3	46 971	62 826
TOTAL NET ASSETS/EQUITY		4 532 137	5 014 940
TOTAL LIABILITIES AND NET ASSETS/EQUITY		7 230 916	7 806 950

The section on significant accounting policies and the accompanying notes form part of the financial statements.

World Health Organization

Statement II. Statement of Financial Performance

For the year ended 31 December 2023

(in US\$ thousands)

Description	Notes	31 December 2023	31 December 2022 (restated)
REVENUE	5.1		
Assessed contributions		494 067	495 893
Voluntary contributions		2 745 755	3 656 450
Voluntary contributions in-kind and in-service		55 137	146 271
Other revenue		46 478	55 000
Total revenue		3 341 437	4 353 614
EXPENSES	5.2		
Staff costs		1 242 333	1 164 178
Medical supplies and materials		329 711	511 081
Contractual services		1 585 009	1 337 412
Transfers and grants		464 457	460 047
Travel		230 820	160 912
General operating expenses		228 704	192 977
Equipment, vehicles and furniture		15 695	9 111
Depreciation and amortization		14 052	14 093
Total expenses		4 110 781	3 849 811
Finance revenue	5.3	247 411	94 159
TOTAL SURPLUS/DEFICIT FOR THE YEAR		(521 933)	597 962

The section on significant accounting policies and the accompanying notes form part of the financial statements.

World Health Organization

Statement III. Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023
(in US\$ thousands)

Description	Notes	31 December 2023	Other adjustments (refer to Note 4.12)	Surplus/(deficit)	31 December 2022 (restated)
General Fund	6.1	4 090 401		(540 056)	4 630 457
General Fund		4 059 401		(540 056)	4 599 457
General Fund – Reserves		31 000			31 000
Member States – other	6.2	394 765	39 130	33 978	321 657
Fiduciary Fund	6.3	46 971		(15 855)	62 826
TOTAL NET ASSETS/EQUITY		4 532 137	39 130	(521 933)	5 014 940

For the year ended 31 December 2022 – restated
(in US\$ thousands)

Description	Notes	31 December 2022 (restated)	Other adjustments (refer to Notes 3 and 4.12) (restated)	Surplus/(deficit) (restated)	31 December 2021
General Fund	6.1	4 630 457		545 542	4 084 915
General Fund		4 599 457		545 542	4 053 915
General Fund – Reserves		31 000			31 000
Member States – other	6.2	321 657	1 010 084	51 914	(740 341)
Fiduciary Fund	6.3	62 826		506	62 320
TOTAL NET ASSETS/EQUITY		5 014 940	1 010 084	597 962	3 406 894

The section on significant accounting policies and the accompanying notes form part of the financial statements.

World Health Organization

Statement IV. Statement of Cash Flow

For the year ended 31 December 2023

(in US\$ thousands)

Description	31 December 2023	31 December 2022 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
TOTAL DEFICIT/SURPLUS FOR THE YEAR	(521 933)	597 962
Depreciation and amortization	14 052	14 093
Investment revenue presented as investing activities	(207 374)	2 426
Unrealized (gains)/losses on revaluation of long-term borrowings	43 966	(46 327)
(Increase)/decrease in receivables – current	110 498	(273 787)
(Increase)/decrease in staff receivables	(4 487)	(3 078)
(Increase)/decrease in inventories	8 002	12 142
(Increase)/decrease in prepayments and deposits	7 606	87 945
(Increase)/decrease in receivables – non-current	(27 255)	12 098
Increase/(decrease) in contributions received in advance	43 182	(24 110)
Increase/(decrease) in accounts payable	20 640	(45 474)
Increase/(decrease) in staff payable	(53)	(162)
Increase/(decrease) in accrued staff benefits – current	(13 436)	(399)
Increase/(decrease) in deferred revenue – current	(111 148)	124 634
Increase/(decrease) in other liabilities – current	32 084	(75 603)
Increase/(decrease) in inter-entity liabilities	6 503	54 561
Increase/(decrease) in accrued staff benefits – non-current	(51 430)	(7 260)
Increase/(decrease) in deferred revenue – non-current	27 255	(12 098)
Increase/(decrease) in other liabilities – non-current	2 052	199
Net cash flows from operating activities	(621 276)	417 762
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment revenue presented as investing activities	207 374	(2 426)
(Increase)/decrease in short-term investments	424 006	(353 595)
(Increase)/decrease in long-term investments	(7 175)	14 744
Increase/(decrease) in financial liabilities	(49 646)	33 353
(Increase)/decrease in property, plant and equipment	(54 665)	(14 212)
(Increase)/decrease in intangibles		
Net cash flows from investing activities	519 894	(322 136)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in long-term borrowings – current	387	(32)
Increase/(decrease) in long-term borrowings – non-current	(4 457)	(3 460)
Net cash flows from financing activities	(4 070)	(3 492)
Net increase/(decrease) in cash and cash equivalents	(105 452)	92 134
Cash and cash equivalents at beginning of the year	430 091	337 957
Cash and cash equivalents at end of the year	324 639	430 091

The section on significant accounting policies and the accompanying notes form part of the financial statements.

World Health Organization

Statement V. Statement of Comparison of Budget and Actual Amounts

For the year ended 31 December 2023

(in US\$ thousands)

Description	Original Programme budget 2022–2023	Revised Programme budget 2022–2023	Expenses 2022 (restated)	Expenses 2023	Total expenses	Difference – Revised Programme budget and expenses	Implementation (%)
Strategic priority							
1 One billion more people benefiting from universal health coverage	1 839 879	1 929 559	748 750	953 780	1 702 530	227 029	88%
2 One billion more people better protected from health emergencies	845 926	1 250 543	335 036	446 171	781 207	469 336	62%
3 One billion more people enjoying better health and well-being	424 861	455 221	134 293	176 766	311 059	144 162	68%
4 More effective and efficient WHO providing better support to countries	1 253 358	1 333 098	506 487	603 736	1 110 223	222 875	83%
Polio eradication	558 300	558 300	482 595	567 800	1 050 395	(492 095)	188%
Special programmes	199 340	199 340	57 292	65 120	122 412	76 928	61%
Emergency operations and appeals	1 000 000	1 000 000	1 112 104	1 200 508	2 312 612	(1 312 612)	231%
Total	6 121 664	6 726 061	3 376 557	4 013 881	7 390 438	(664 377)	110%

Basis differences					
Tax Equalization Fund expenses			(5 396)	10 239	4 843
Special arrangements			7 404	7 689	15 093
Other non-programme budget utilization			53 792	30 118	83 910
Total basis differences			55 800	48 046	103 846
Timing differences					
Programme budget expenses for other periods			210 344	1 650	211 994
Total timing differences			210 344	1 650	211 994
Total expenses – General Fund			3 642 701	4 063 577	7 706 278
Entity differences					
Expenses under Common Fund, Enterprise Fund, Special Purpose Fund, and Fiduciary Fund			60 839	(2 624)	58 215
In-kind/in-service expenses			146 271	49 828	196 099
Total entity differences			207 110	47 204	254 314
Total expenses as per the Statement of Financial Performance (Statement II)			3 849 811	4 110 781	7 960 592

The section on significant accounting policies and the accompanying notes form part of the financial statements.

1. Notes to the financial statements

Reporting Entity

The World Health Organization is an intergovernmental organization and a specialized agency of the United Nations. WHO is politically neutral and its work is impartial. It seeks to conduct its work in a transparent manner and is accountable to all its stakeholders. In accordance with its Constitution (which came into force on 7 April 1948), WHO acts as the directing and coordinating authority on international health work. The Organization's headquarters are located in Geneva, Switzerland, and six outposted offices. WHO also has six regional offices and 148 country offices.

The Financial Regulations and Financial Rules of the World Health Organization¹ govern the financial management of WHO. The financial statements include only the operations of WHO, which has no subsidiaries or interests in associates or jointly controlled entities.

Non-consolidated entities

WHO provides administrative services to the following non-consolidated entities:

- Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)
- Unitaid
- International Agency for Research on Cancer (IARC)
- International Computing Centre (ICC)
- Staff Health Insurance (SHI)

These entities are governed by their own constitutions, bylaws and governance structures. They prepare their own financial statements and undergo separate external audit and certification. WHO has the same voting rights (except in Unitaid) as any other member or partner and transactions with these organizations are at arm's length. Assets and liabilities are owned by the respective organization; in the event of dissolution, the division of all assets and liabilities amongst members and partner organizations shall be agreed by constitution, bylaws and governance structure on the basis of a formula to be defined at that time.

Basis of preparation and presentation

The financial statements of the World Health Organization have been prepared on an accrual basis of accounting in accordance with International Public Sector Accounting Standards (IPSAS) and the Financial Regulations and Financial Rules of WHO. The financial year is from January to December. They have been prepared using the historical cost convention. Investments and loans, however, are recorded at fair value or amortized cost. Where a specific matter is not covered by IPSAS, the appropriate International Financial Reporting Standards (IFRS) have been applied.

These financial statements have been prepared on the basis that WHO is a going concern and will meet its mandate for the foreseeable future (IPSAS 1 – Presentation of Financial Statements).

Functional currency and translation of foreign currencies

These financial statements and notes are presented in United States dollars and all values are rounded to the nearest thousand, also denoted as US\$ thousands (US\$ 000s) unless otherwise stated.

¹ See document WHA66/2013/REC/1, resolution WHA66.3.

Foreign currency transactions are translated into United States dollars at the prevailing United Nations Operational Rates of Exchange, which approximates to the exchange rates at the date of the transactions. The United Nations Operational Rates of Exchange are set once a month, and revised mid-month if there are significant exchange rate fluctuations relating to individual currencies.

Assets and liabilities in currencies other than United States dollars are translated into United States dollars at the prevailing United Nations Operational Rates of Exchange year-end closing rate. The resulting gains or losses are accounted for in the Statement of Financial Performance.

The non-United States dollar denominated assets and liabilities in the investment portfolios are translated into United States dollars at the month-end closing rate used by the custodian.

Materiality and the use of judgments and estimates

Materiality¹ is central to WHO's financial statements. The Organization's process for reviewing accounting materiality provides a systematic approach to the identification, analysis, evaluation, endorsement and periodic review of decisions taken involving the materiality of information, spanning a number of accounting areas. The financial statements include amounts based on judgments, estimates and assumptions by management. Changes in estimates are reflected in the period in which they become known.

Significant estimates and assumptions that may result in material adjustments in future years include: actuarial measurement of employee benefits; selection of useful lives and the depreciation/amortization method for property, plant and equipment/intangible assets; impairment of assets; classification of financial instruments; valuation of investment assets; revenue recognition; and contingent assets and liabilities.

Financial statements

In accordance with IPSAS 1 (Presentation of Financial Statements), a complete set of financial statements has been prepared as follows:

- Statement of Financial Position;
- Statement of Financial Performance;
- Statement of Changes in Net Assets/Equity;
- Statement of Cash Flow;
- Statement of Comparison of Budget and Actual Amounts; and
- Notes to the financial statements, comprising a description of the basis of preparation and presentation of the statements, a summary of significant accounting policies, and other relevant information.

¹ Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

Future accounting changes

The IPSAS Board has published the following new and amended standards:

Standard	Title	Effective date	Anticipated impact in year of adoption
IPSAS 43	Leases	1 January 2025	Supersedes IPSAS 13 (Leases) and introduces the right-of-use model for lessees. On the basis of the right-of-use model, once the new standard has been adopted and the expiration of the validity of any transitional provisions has expired, most leases will be required to be capitalized, resulting in an increase in the amount of capitalized assets and the recording of related lease liabilities. The impact on annual financial performance is expected to be broadly neutral as depreciation of leased assets and interest costs on the related lease liabilities will replace the currently recorded lease expenses. The impact of IPSAS 43 on the financial statements of WHO upon adoption, including the impact of consequential amendments to other standards, is currently being assessed.
IPSAS 44	Non-current Assets Held for Sale and Discontinued Operations	1 January 2025	This standard was developed to align with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) and specifies the accounting for assets held for sale, and presentation and disclosure of discontinued operations. WHO does not foresee a significant impact on the consolidated financial statements resulting from this standard.
IPSAS 45	Property, Plant and Equipment	1 January 2025	This standard was developed to update principles drawn from IPSAS 17 (Property, Plant and Equipment), adding new guidance for heritage assets, infrastructure assets and measurement of property, plant and equipment. The impact of elements of IPSAS 45 relating to heritage assets and the measurement of assets acquired through non-exchange transactions on the financial statements of WHO is currently being assessed.
IPSAS 46	Measurement	1 January 2025	This standard was developed to help improve measurement guidance across IPSAS. WHO is currently assessing the impact of IPSAS 46 on the relevant areas of the financial statements.
IPSAS 47	Revenue	1 January 2026	<p>This standard sets out the accounting requirements for revenue transactions in the public sector and replaces IPSAS 9, 11 and 23. The standard is expected to affect the WHO financial statements significantly and the full impact is currently being assessed. One major impact of the standard is that for all earmarked contributions, revenue recognition will be deferred until WHO meets its obligations. Under the current IPSAS 23, WHO recognizes voluntary contributions revenue upon signature of the relevant contribution agreement.</p> <p>WHO expects that there will be sufficient time for implementation and that such implementation will require additional resources.</p>
IPSAS 48	Transfer Expenses	1 January 2026	<p>This standard sets out the accounting requirements for expenses arising from a transaction, other than taxes, in which an entity provides a good, service or other asset to another entity, without directly receiving any good, service or other asset in return.</p> <p>WHO is reviewing the changes within the standard, which is expected to significantly impact the timing of recognition of expenses under Direct Financial Cooperation, Grant Letter of Agreement and Direct Implementation modalities in the WHO financial statements. WHO expects that there will be sufficient time for implementation and that such implementation will require additional resources.</p>

Standard	Title	Effective date	Anticipated impact in year of adoption
IPSAS 49	Retirement Benefit Plans	1 January 2026	<p>This standard covers accounting and reporting requirements for public sector retirement benefit plans to improve the transparency and accountability of those plans.</p> <p>WHO is a member of the United Nations Joint Staff Pension Fund, a separate legal and reporting entity where the changes required by the standard are most applicable. The impact of this standard on the WHO financial statements is therefore anticipated to be very limited and any potential changes will be aligned with other United Nations entities, including the United Nations Joint Staff Pension Fund, through the United Nations Task Force on Accounting Standards.</p>

WHO continues to assess the impact of the above standards on future financial statements in advance of their effective date.

Furthermore, the IPSAS Board has issued Exposure Drafts (EDs), of which the following may have an impact on future WHO financial statements:

ED	Title	Issue date	Anticipated impact in year of adoption
ED 83	Reporting Sustainability Program Information	November 2022	The objective of ED 83 is to provide additional guidance to facilitate the reporting of sustainability programme information. WHO is assessing the impact of these changes and currently anticipates a low impact on the WHO financial statements.
ED 84	Concessionary Leases and Right-of-Use Assets In-kind	January 2023	<p>ED 84 proposes new accounting requirements for concessionary leases and right-of-use assets in-kind, and forms phase two of the Leases project, of which IPSAS 43 above is phase one.</p> <p>WHO has a number of concessionary leases and right-of-use assets in-kind, and anticipates that there will be a notable impact on the financial statements.</p>

WHO monitors the development of the Exposure Drafts and actively engages with the work of the IPSAS Board through the United Nations System Task Force on Accounting Standards, noting that their application may have an impact on WHO's future financial statements.

2. Significant accounting policies

2.1 Cash and cash equivalents

Cash and cash equivalents are held at nominal value and comprise cash on hand, cash at banks, collateral deposits, commercial paper, money market funds and short-term bills and notes. All investments that have a maturity of three months or less from the date of acquisition are included as cash and cash equivalents. This includes cash and cash equivalents held in the portfolios managed by external investment managers. None of the funds held by WHO on behalf of other entities are subject to restrictions that require pre-approval by third parties for the movement of those funds.

2.2 Investments and financial instruments

Financial instruments are recognized from the trade date when WHO becomes a party to the contractual provisions of the instrument until the rights to receive cash flows from those assets have expired or have been transferred and the Organization has transferred substantially all the risks and rewards of ownership.

The principles of IPSAS 41 in relation to the financial reporting of financial assets have been applied in the preparation of these financial statements, and in that respect, the following criteria have been considered in determining the classification and measurement of the financial assets and liabilities:

- (a) the business model for managing the financial assets and liabilities; and
- (b) the contractual cash flow characteristics of the financial assets and liabilities.

These classification criteria determine which of the measurement bases to apply under IPSAS 41 for each category of financial asset or liability: amortized cost, fair value through net assets/equity, or fair value through surplus or deficit.

The financial assets and liabilities have been reclassified under IPSAS 41 as follows:

Before the application of IPSAS 41	Under IPSAS 41	Examples
Financial assets and liabilities at fair value through surplus or deficit for trading	Financial assets at fair value through surplus or deficit	Fixed income securities (for example, bonds and certificates of deposit) and derivative instruments (for example, foreign exchange forward contracts and interest rate swaps).
Financial assets at fair value through surplus or deficit upon initial recognition		
Bank deposits and receivables	Financial assets at amortized cost	Term deposits, interest receivables, tax recoverables, other amounts to be received from investments (for example, amounts to be received in respect of assets previously sold).
Payables and accruals	Financial liabilities at amortized cost	Interest payables, other amounts to be paid for investments (for example, amounts to be paid in respect of assets previously purchased).

Financial assets at amortized cost are financial instruments that are held under the business model objective of holding financial assets to collect contractual cash flows (rather than selling the instrument prior to its contractual maturity to realize its fair value changes), where the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through net assets/equity are financial instruments that are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, where the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets or financial liabilities at fair value through surplus or deficit are other financial instruments that are not classified as either at amortized cost or at fair value through net assets/equity.

None of the WHO financial assets or liabilities have been classified as at fair value through net assets/equity.

Under IPSAS 41, a single forward-looking impairment model is applied which requires the recognition of expected credit losses at all times.

The minimum credit rating set in the WHO Investment Policy for any investment is A-/A3. The IPSAS 41 impairment model was applied to financial assets that are classified as at amortized cost, specifically the term deposits and the bank account balances. The calculation of the expected credit losses for the term deposits and for the bank balances yielded figures which were not material in the context of these financial statements, and which are therefore not disclosed.

2.3 Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Current receivables are for amounts due within 12 months of the reporting date, while non-current receivables are those that are due more than 12 months from the reporting date of the financial statements.

Voluntary contributions receivables are recognized based on the payment terms specified in a binding agreement between WHO and the contributor. Where no payment terms are specified, the full amount receivable is recognized as currently due. Assessed contributions receivable are recognized annually, at the beginning of the year as per the assessments approved by the Health Assembly. Receivables are recorded at their estimated net realizable value and not discounted as the effect of discounting is considered immaterial.

An allowance for doubtful accounts is recognized when there is a risk that the receivables may be impaired. Changes in the allowance for doubtful accounts are recognized in the Statement of Financial Performance (Statement II).

In accordance with WHO's Staff Regulations and Staff Rules, staff members are entitled to certain advances including those for salary, education and rent. The advances have an initial maturity of less than 12 months, and the carrying amount approximates fair value.

2.4 Inventories

WHO recognizes medicines, vaccines, humanitarian supplies, and publications as part of its inventory. Inventories are valued taking the lower amount of (i) cost or (ii) net realizable value, using a weighted-average basis. A stock count is conducted once every year. Packaging, freight and insurance charges are allocated based on the total value of inventory purchases and added to the inventory value at a rate of 10%.

Where inventories have been acquired through a non-exchange transaction (that is, inventories were donated as an in-kind contribution), the value of inventory is determined by reference to the donated goods' fair value at the date of acquisition.

When inventories are sold, exchanged or distributed, their carrying amount is recognized as an expense. Inventories that have expired, are spoiled or unusable, and are valued at US\$ 50 000 or more in aggregate per warehouse, are written off.

2.5 Prepayments and deposits

Prepayments relate to amounts paid to suppliers for goods or services not yet received. Deposits relate to amounts paid as security for the leasing of office space and to the utilities suppliers. Deposits and prepayments are recorded at cost.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment losses. Property, plant and equipment with a value of US\$ 5000 and greater are recognized as non-current assets in the Statement of Financial Position. Property, plant and equipment acquired through a non-exchange transaction are recognized at fair value at the date of acquisition. WHO considers all assets of this type to be non-cash generating. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition and the initial estimate of dismantling and site restoration costs. Packaging, freight and insurance charges are allocated at a rate of 10% of the purchase price and added to the asset value for non-local purchases. Assets that are purchased by WHO for third parties that are not controlled by WHO are expensed as incurred.

Right-to-use arrangements for property (land) are not recognized in the Statement of Financial Position but are instead disclosed in Note 4.7. Office space contributed in-kind is recognized in the Statement of Financial Performance in Note 5.1.

Depreciation is calculated on a straight-line basis over the asset's useful life except for land, which is not subject to depreciation. Property, plant and equipment are reviewed annually for impairment. Given the expected pattern of usage of property, plant and equipment, there are no residual values following full depreciation. Constructions in progress are not depreciated, as they are not yet available for use. The depreciation start date depends on the date placed in service. When equipment is placed in service between the 1st and the 15th of the month, a full month of depreciation is recognized for that month and when equipment is placed in service from the 16th of the month, depreciation is recognized from the following month.

The value of heritage assets, including donated works of art, is not recognized as an asset in the Statement of Financial Position.

The estimated useful lives of the asset classes that make up property, plant and equipment are provided in the table below.

Asset class	Estimated useful life (in years)
Land	N/A
Buildings – permanent	60
Buildings – temporary	5
Furniture, fixtures and fittings	5
Vehicles and transport	5
Office equipment	3
Communications equipment	3
Audiovisual equipment	3
Computer equipment	3
Network equipment	3
Security equipment	3
Other equipment	3
Constructions in progress	No depreciation

A gain or loss resulting from the disposal of property, plant and equipment arises where proceeds from disposal differ from their carrying amount. Those gains or losses are recognized in surplus or deficit in the Statement of Financial Performance.

Improvements are capitalized when the improvement results in an increase in the useful life of the asset or adds usable space. The residual value of the asset and the cost of the improvement will be amortized over the adjusted

useful life (remaining life). Normal repair and maintenance costs are expensed in the year when the costs are incurred.

2.7 Intangibles

Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. The threshold for recognition of intangible assets is US\$ 100 000. Intangible assets acquired through a non-exchange transaction are recognized at fair value at the date of acquisition. Amortization is determined over the estimated useful life of the assets using the straight-line method of amortization. WHO's intangible assets are assumed to have a residual value of zero, as intangible assets are not sold or transferred at the end of their useful life. Intangible assets are reviewed annually for impairment.

Cloud-based software is used on a subscription basis and is not controlled by the Organization. Costs incurred to configure or customize cloud-based software as a service are recognized as operating expenses when the services are received. Non-cancellable subscription fees are expensed at the time of invoicing.

The estimated useful life of software acquired externally is between two and six years.

2.8 Leases

A lease is an agreement whereby the lessor conveys to the lessee (the Organization), in return for a payment or series of payments, the right to use an asset for an agreed period of time. Every lease is reviewed to determine whether it constitutes a finance or operating lease. The relevant accounting entries and disclosures are made for the leases above the recognition threshold of US\$ 50 000 per year.

Lease agreements entered into for equipment or office premises are classified as operating leases unless they substantially transfer all of the risk and reward of ownership. Lease charges for operating leases are recognized in the Statement of Financial Performance as general operating expenses, based on the terms of the agreements for the period concerned so as to reflect the time pattern of benefit to WHO.

Where WHO is the lessor, lease revenue from operating leases is recognized as revenue on a straight-line basis over the lease term. All costs associated with the asset incurred in earning the lease revenue, including depreciation, are recognized as an expense.

2.9 Contributions received in advance and deferred revenue

Contributions received in advance arise from legally binding agreements between WHO and its contributors – including governments, international organizations and private and public institutions – whereby contributions are received in advance of the amounts concerned falling due to the Organization.

Deferred revenue derives from legally binding agreements between WHO and its contributors, including governments, international organizations and private and public institutions. Deferred revenue is recognized when:

- a contractual agreement is confirmed in writing by both the Organization and the contributor; and
- the funds are earmarked and due in a future period.

Deferred revenue also includes advances from exchange transactions (refer to Note 2.15).

Deferred revenue is presented as current if the revenue is due within one year, and non-current if the revenue is due one year or more after the reporting date.

2.10 Accounts payable and accrued liabilities

Accounts payable are financial liabilities for goods or services that have been received by WHO and invoiced but not yet paid for.

Accrued liabilities are financial liabilities for goods or services which have been received by WHO and which have neither been paid for nor invoiced to WHO.

Accounts payable and accrued liabilities are recognized at cost, as the effect of discounting is considered immaterial.

2.11 Employee benefits

WHO recognizes the following categories of employee benefits:

- short-term employee benefits;
- post-employment benefits;
- other long-term employee benefits; and
- termination benefits.

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled within 12 months after the end of the year in which employees render the related service. These benefits include assignment benefits, compensated absences (for example, paid leave, such as annual leave), other short-term benefits and the current portion of long-term benefits provided to current employees. An expense is recognized when a staff member provides services in exchange for employee benefits. A liability is reported for any entitlement that has not been settled at the reporting date and represents the amount paid or expected to be paid to settle the liability. Owing to the short-term nature of those entitlements, the liabilities are not discounted for the time value of money and are presented as current liabilities.

Post-employment benefits

Post-employment benefits include pension plans, post-employment medical care, repatriation grants and other lump sums payable after the completion of employment. Post-employment benefit plans are classified as either defined contribution or defined benefit plans.

Defined contribution plans

For defined contribution post-employment plans, the obligation for each year is determined by the amounts to be contributed for that year, and no actuarial assumptions are required to measure the obligation or the expense.

WHO is a member organization participating in the United Nations Joint Staff Pension Fund (the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization that participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with participation of current and former employees of other organizations in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. WHO and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WHO's

proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. WHO has therefore treated it as a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). WHO's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance (Statement II).

Defined benefit plans

The defined benefit plans of WHO include after-service health insurance and the Special Fund for Compensation. The obligation of WHO in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That obligation is discounted to determine its present value and stated at the end of the reporting year less the fair value of plan assets, together with adjustments for unrecognized past service costs. The calculation is performed annually by a qualified independent actuary using the projected unit credit method.

The discount rate is the yield at the reporting date on high-quality credit rated corporate bonds that have maturity dates approximating the terms of the payment obligations. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in net assets/equity in the year in which they arise. All other changes in the liability for those obligations are recognized as surplus or deficit in the Statement of Financial Performance in the year in which they arise.

Other long-term employee benefits

Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service. Those benefits include the terminal emoluments of staff members and Accident and Illness Insurance. These are measured at the present value of the estimated future cash flows if the payments and the impact of discounting are considered to be material. Actuarial gains and losses are reported in the Statement of Financial Performance.

Termination benefits

Termination benefits are recognized as an expense only when WHO is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, and the accounting requirements for short-term benefits applied.

2.12 Inter-entity liabilities

Inter-entity liabilities are cash balances held by WHO on behalf of hosted entities (refer to Notes 4.2 and 4.15).

2.13 Provisions, contingent liabilities and commitments

Provisions

Provisions are recognized for future liabilities and charges where WHO has a present legal or constructive obligation as a result of past events, and it is probable that the Organization will be required to settle the obligation.

Contingent liabilities

A contingent liability is disclosed unless the possibility that it will be realized is remote. If it becomes probable that a contingent liability will be realized, a provision is recognized in the year in which the change of probability occurs.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts entered into at the reporting date for which WHO has minimal discretion, if any, to avoid in the ordinary course of operations. Commitments relating to employment contracts are excluded. Commitments are disclosed and include:

- Capital commitments: aggregate amount of capital expenses contracted for but not recognized as paid or provided for at year end
- Contracts for the supply of goods or services that WHO expects to be delivered in the ordinary course of operations
- Non-cancellable minimum lease payments
- Other non-cancellable commitments.

2.14 Contingent assets

Contingent assets will be disclosed when an event gives rise to a probable inflow of economic benefits or service potential and there is sufficient information to assess the probability of the inflow of economic benefits or service potential.

2.15 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by WHO during the year and represents an increase in net assets/equity. The Organization recognizes revenue following the established criteria of IPSAS 1 (Presentation of Financial Statements), IPSAS 9 (Revenue from Exchange Transactions) and IPSAS 23 (Revenue from Non Exchange Transactions).

The main sources of revenue for WHO include but are not limited to:

Non-exchange revenue

- **Assessed contributions.** Revenue from contributions from Member States and Associate Members is recorded annually at the beginning of the year as per the assessments approved by the Health Assembly.
- **Voluntary contributions.** Revenue from voluntary contributions is recorded when a binding agreement is signed by WHO and the contributor. Where (i) there are so-called “subject to clauses” in an agreement, or (ii) the total amount is indicative or not mentioned in the agreement and only confirmed upon release of the funds, WHO does not control the resource and does not record the revenue and amount receivable until the cash is received. Where there are no payment terms specified by the contributor or payment terms are in the current accounting year, revenue is recognized in the current period. Where payment terms specify payment after the year end, the amount is reported as a deferred revenue liability. Where the start date of the contract is after 31 December, revenue is recognized in the future accounting year.
- **Contributions in-kind and in-service.** Contributions in-kind and in-service are recorded at an amount equal to their fair market value as determined at the time of acquisition, based on an agreement

between WHO and the contributor and upon confirmation from the receiving budget centre of the receipt of the goods or services. An entry corresponding to the expense is recorded in the same period that the contributions in-kind and in-service are recorded as revenue. In-kind contributions from right-to-use arrangements are recognized as revenue and expenses at the fair value of the right-to-use assets.

Revenue from assessed contributions is shown net of impairment of receivables. Revenue from voluntary contributions is shown net of impairment of receivables and refunds.

Exchange revenue

- **Reimbursable procurement, concessions, revolving sales and other exchange revenue.** Revenue from reimbursable procurement on behalf of Member States, revenue from the sale of goods or services and fees charged to manufacturers for prequalification services is recorded on an accrual basis at the fair value of the consideration received or receivable when it is probable that the future economic benefits and/or service potential will flow to WHO and those benefits can be measured reliably. The corresponding expense is recognized in the same year as the revenue.

2.16 Expenses

Expenses are defined as decreases in economic benefits or service potential during the reporting period in the form of outflows, consumption of assets, or incurrences of liabilities that result in decreases in net assets/equity. WHO recognizes expenses at the point where goods have been received or services rendered (delivery principle) and accepted by WHO and not when cash or its equivalent is paid.

2.17 Fund accounting

Fund accounting is a method of segregating resources into categories (that is, funds) to identify both the source and the use of the funds. Establishing such funds helps to ensure better reporting of revenue and expenses. The General Fund, the Special Purpose Fund, the Enterprise Fund and the Fiduciary Fund serve to ensure the proper segregation of revenue and expenses. Any transfers between funds that would result in duplication of revenue and/or expenses are eliminated during consolidation. Intra-fund transfers such as programme support costs within the General Fund are also eliminated.

General Fund

The accounts contained under this fund support the implementation of the programme budget. The General Fund contains the following:

- **Assessed Contributions Fund.** This fund consolidates revenue and expenses arising from assessed contributions from Member States and other miscellaneous income.
- **Tax Equalization Fund.** In accordance with resolution WHA21.10 (1968), in which the Health Assembly decided to establish the Tax Equalization Fund, the assessed contributions of all Member States are reduced by the revenue generated by the staff assessment plan. In determining the reduction of assessed contributions to be applied to the Member States concerned, the Tax Equalization Fund is credited with the revenue from the staff assessment plan, the credits being recorded in the name of individual Member States, in proportion to their assessments for the biennium. For those Member States that levy income tax on emoluments received from the Organization by their nationals or others liable to such taxes, the credit from the staff assessment plan is charged with the estimated amount to be levied by those Member States. Those amounts which have been charged are, in turn, used by the Organization to reimburse income tax paid by the staff concerned, as per resolution WHA21.10.

- **Working Capital Fund.** The Fund was established to implement the programme budget pending receipt of assessed contributions in arrears. In accordance with Financial Regulation VII, implementation of that part of the budget financed from assessed contributions may be financed from the Working Capital Fund and thereafter by internal borrowing against available cash reserves of WHO, excluding trust funds. Amounts borrowed are repaid from the collection of arrears of assessed contributions and are credited first against any internal borrowing and then against any borrowing from the Working Capital Fund. In accordance with resolution WHA74.3 (2021), the level of the Working Capital Fund has been set at US\$ 31 million for 2022–2023, as set out in Note 6.1.a.
- **Voluntary funds.** This fund consolidates revenue and expenses arising from the following funds:
 - Core voluntary contributions account
 - Voluntary Contributions Core Fund
 - Voluntary Contributions Specified Fund
 - Contingency Fund for Emergencies. This fund was established by the Health Assembly through decision WHA68(10) (2015). The purpose of the fund is to provide temporary financing for emergency field operations
 - Special Programme for Research and Training in Tropical Diseases (TDR Trust Fund)
 - Special Programme of Research, Development and Research Training in Human Reproduction (HRP Trust Fund)
 - Special Programmes and Collaborative Arrangements Fund
 - Programme Support Costs Fund
 - Outbreak and Crisis Response Fund
 - Fee for Services Fund. This fund was established to record, and report fees charged to manufacturers for prequalification services to assess the quality, safety and efficacy of medical produces (vaccines, medicines or diagnostics)
 - Supply Chain Fund. This fund was established to manage the supply chain operation initiative as a part of the response to the coronavirus disease (COVID-19) pandemic. It is used to record and report stockpile sales to external parties.

Member States – other

The following accounts are contained in Member States – other:

- **Common Fund.** This fund reflects the movement in the asset and liability accounts of the Organization resulting from changes in items such as inventory, fixed assets adjustment, constructions-in-progress adjustment, depreciation, investment gains and losses, and exchange gains and losses.
- **Enterprise Fund.** This fund contains accounts that generate self-sustaining revenue. The revenue and expenses under this fund are not included in the reporting of the programme budget but are included in the Consolidated Financial Statements of the Organization. The Enterprise Fund contains the following:
 - **Accident and Illness Insurance Fund.** This fund was established as a self-insurance mechanism to provide coverage for staff members in case of accident and illness.
 - **Other Enterprise Funds.** These funds are used to manage non-programme budget activities with a self-financing mechanism.

- **Special Purpose Fund.** The accounts contained under this fund represent transfers from the General Fund or appropriations by the Health Assembly. The revenue and expenses under this fund are not included in the reporting of the programme budget but are included in the Consolidated Financial Statements of the Organization. The Special Purpose Fund contains the following:
 - **Infrastructure Fund.** This fund was established by the Seventieth World Health Assembly through decision WHA70(16) (2017) to consolidate reporting for the Real Estate Fund and Information Technology Fund.
 - **Staff Health Insurance Fund.** This fund was established to record and report net liability of the Organization. It is financed by way of a charge on salary cost of staff members and contributions from retirees.
 - **Special Fund for Compensation.** This fund was established by the Director-General for the payment of periodic benefits awarded to staff members under WHO compensation rules for service-incurred injuries, illnesses and deaths. It is financed by funds allocated to cover the cost of employing the staff member, and by way of any interest earned.
 - **Terminal Payments Fund.** This fund was established to finance the terminal emoluments of staff members, including repatriation grant, accrued annual leave, repatriation travel and removal on repatriation. It is financed by way of a charge on salary cost of staff members and any interest earned.
 - **Other Special Purpose Funds.** These are internal administrative funds established to pay for certain staff benefits and operational activities.

Fiduciary Fund

This fund accounts for assets that are held by WHO in a trustee or agent capacity for others and that cannot be used to support the Organization's own programmes. The fund includes the assets of the partnerships that are administered by the Organization and whose budgets are not approved by the Health Assembly. The fund did not contribute to the Programme budget 2022–2023, and at 31 December 2023 contained the following:

- Alliance for Health Policy and System Research Fund;
- European Observatory on Health Systems and Policies;
- Expanded Special Project for Elimination of Neglected Tropical Diseases (ESPEN) Fund;
- Partnership for Maternal, Newborn and Child Health Fund;
- Staff Association Fund;
- WHO Framework Convention on Tobacco Control (FCTC); and
- Voluntary Health Fund for Small Island Developing States.

2.18 Segment reporting

For the purposes of evaluating its past performance in achieving its objectives and utilization of resources, WHO classifies all its activities based on its regional structure. Revenue, expenses, assets and liabilities are reported for each major office (region). The use of major offices is in line with the decision-making practices of the Member States and the Secretariat, with respect to the allocation of resources. WHO's programme budget is presented by major office, which supports using major offices as the segments. Furthermore, the accountability for results and management of assets and liabilities lies with the heads of each regional office.

2.19 Statement of Cash Flow

The Statement of Cash Flow (Statement IV) is prepared using the indirect method.

2.20 Budget comparison

WHO's budget and accounting basis differ. Budgets within the Organization are approved on a modified cash basis rather than the full accrual basis of IPSAS. In addition, budgets are prepared on a biennial basis.

Although WHO's financial statements cover all the activities of the Organization, budgets are approved by the World Health Assembly only for the General Fund. There are no approved budgets for other funds. All funds are administered in accordance with the Financial Regulations and Financial Rules. For these reasons, the total actual General Fund budget expenditure differs from the total financial accounting expenses.

As required under IPSAS 24 (Presentation of Budget Information in Financial Statements), the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any basis, timing, presentation and entity differences, as detailed in Note 7.

There may also be differences in formats and classification schemes adopted for the presentation of financial statements and the budget.

Through the adoption of resolution WHA74.3 (2021), the Seventy-fourth World Health Assembly approved the Programme budget 2022–2023. The Programme budget 2022–2023 was revised by the Seventy-fifth World Health Assembly through the adoption of resolution WHA75.5 (2022). The Statement of Comparison of Budget and Actual Amounts (Statement V) compares the final budget to actual amounts calculated on the same basis as the corresponding budgetary amounts. As the basis used to prepare the budget and financial statements differ, Note 7 reconciles the actual amounts presented in Statement V to the actual amounts presented in the Statement of Cash Flow (Statement IV).

3. Note on the restatement/reclassification of balances

Restatement of balances: derecognition of intangible assets

Under WHO's accounting policy relating to intangible assets as detailed in Note 2.7, cloud-based software is used on a subscription basis and is not controlled by the Organization. Costs incurred to configure or customize cloud-based software as a service are recognized as operating expenses when the services are received.

In 2023, two cloud-based software projects under development were identified that had been recognized as intangible assets with a carrying value of US\$ 5.3 million as at 31 December 2022, of which US\$ 2.1 million related to software development undertaken in 2022, and US\$ 3.2 million related to software development undertaken in 2021 and prior years. Under the aforementioned accounting policy, such costs should be recognized as expenses in the financial periods in which they were incurred.

Adjustments have been made in these financial statements to correct the recognition of these intangible assets as expenses. In line with IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors), the balances reported as at 31 December 2022 have been restated as follows:

Statement	Category	Financial statement line item	31 December 2022	Adjustment	31 December 2022 (restated)	Note
Statement I	Assets	Intangible assets: software under development	5 338	(5 338)		4.8
Statement II	Expenses	Equipment, vehicles and furniture	6 973	2 138	9 111	5.2
Statement III	Net assets	Member States – other: other adjustments	1 013 284	(3 200)	1 010 084	6.2

These adjustments resulted in a decrease in net assets/equity of US\$ 5.3 million as at 31 December 2022.

4. Supporting information to the Statement of Financial Position

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, investments in money market funds, collateral deposits, bank deposits, and short-term highly liquid investments with original maturity dates of three months or less from the date of acquisition.

Cash and cash equivalents are held for the purpose of meeting the short-term cash requirements of the Organization, rather than for longer-term investment purposes. They are held on behalf of the Organization, including the General Fund, the Special Purpose Fund, the Enterprise Fund, the Fiduciary Fund and non-WHO entities administered by the Organization. The figures include cash and cash equivalents held in the portfolios managed by external investment managers. Cash and cash equivalents are shown by major office in Note 8.1.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Cash at banks, investment accounts, in transit and on hand ¹	80 000	84 464
Cash and cash equivalents held by investment portfolios	244 639	345 627
Total cash and cash equivalents	324 639	430 091

4.2 Investments and financial instruments

Details of the accounting policies for investments and financial instruments are provided in Note 2.2.

The Organization maintains an internally managed portfolio of bank term deposits, four investment portfolios of identified financial instruments managed by external investment managers consisting principally of fixed-income investments, one investment in an externally managed short-term money market fund and one investment in an externally managed long-term fixed-income fund.

Investments are made in accordance with the approved investment policy and in consultation with the WHO Advisory Investment Committee, and the performance of the investment portfolios is evaluated on a fair value basis.

WHO's funds are invested with the following objectives:

- preservation of capital. The goal of capital preservation is of paramount importance and is the principal objective of the investment policy;
- maintenance of sufficient liquidity to meet all payments of liabilities on time; and
- optimization of income return, commensurate with the above requirements on preservation of capital and liquidity.

The quality, security and liquidity of the investments are always given priority over the rate of return on the investments.

¹ Cash at banks in 2023 includes an adjustment of US\$ 20 000 relating to foreign exchange differences occurring in previous financial periods.

WHO has integrated high standards of environmental, social and governance (ESG) investment principles in its investment mandates. Companies which derive more than 5% of their income from the following sectors were excluded from investment:

- tobacco
- armaments
- fossil fuel reserves and extraction
- alcohol
- gambling
- adult entertainment

WHO's cash and investments are co-mingled with those of the Staff Health Insurance (SHI) Fund, UNAIDS, Unitaid and the United Nations International Computing Centre (refer to Note 4.15). WHO's investments include term deposits which are managed by the WHO Treasury directly, and bonds and other short-term fixed-income and money market investments which are managed by high-quality approved international investment managers. The total amounts invested on behalf of other entities are as follows:

Description	31 December 2023	31 December 2022
US\$ thousands		
Staff Health Insurance (SHI)	56 703	99 235
International Computing Centre (ICC)	38 745	37 508
International Drug Purchase Facility (Unitaid)	618 399	550 541
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	144 748	164 808
Total inter-entity liabilities	858 595	852 092

Applying the relative proportions of cash and cash equivalents, short-term investments and financial liabilities of the total figures to the inter entity balances for the hosted entities, the investments figures for each hosted entity can be presented as follows:

Description	WHO	SHI	ICC	Unitaid	UNAIDS	Total
US\$ thousands						
Cash and cash equivalents	266 539	3 837	2 622	41 846	9 795	324 639
Short term investments	3 688 527	53 094	36 279	579 041	135 535	4 492 476
Financial liabilities	(15 848)	(228)	(156)	(2 488)	(582)	(19 302)
Total	3 939 218	56 703	38 745	618 399	144 748	4 797 813

An analysis of the Organization's investments is provided in the following table.

Investments and financial instruments (in US\$ thousands)

Description	Internally managed funds	Externally managed funds	Foreign exchange hedging contracts ^a	Grand total as of 31 December 2023	Grand total as of 31 December 2022
Investments under current Assets					
Cash and cash equivalent held by investment portfolio					
Financial assets at amortized cost	210 701	14 424		225 125	215 063
Financial assets at fair value through surplus or deficit		19 514		19 514	130 564
Total cash and cash equivalents held by investment portfolios	210 701	33 938		244 639	345 627
Short-term investments					
Financial assets at amortized cost	1 135 994			1 135 994	2 008 138
Financial assets at fair value through surplus or deficit	34	3 290 882	15 679	3 306 595	2 842 664
Receivables from investments ^b	22 703	27 184		49 887	65 680
Total short-term investments	1 158 731	3 318 066	15 679	4 492 476	4 916 482
Total investments under current assets	1 369 432	3 352 004	15 679	4 737 115	5 262 109
Investments under non-current assets					
Long-term investments					
Financial assets at fair value through surplus or deficit	106 942			106 942	99 767
Total long-term assets	106 942			106 942	99 767
Total investments under non-current assets	106 942			106 942	99 767
Financial liabilities under current liabilities					
Financial liabilities at fair value through surplus or deficit	(6 482)	(3 398)	(490)	(10 370)	(32 760)
Payables from investments ^b		(8 932)		(8 932)	(36 188)
Total financial liabilities	(6 482)	(12 330)	(490)	(19 302)	(68 948)
Total financial liabilities under current liabilities	(6 482)	(12 330)	(490)	(19 302)	(68 948)
Total investments – net	1 362 950	3 446 616	15 189	4 824 755	5 292 928

^a Foreign exchange hedging contracts are for accounts receivables and expenditures.

^b At amortized cost.

Cash and cash equivalents held in investment portfolios

The financial assets with a maturity date of less than or equal to three months at acquisition are classified as cash and cash equivalents and are detailed below.

Description	31 December 2023	31 December 2022
Financial assets at amortized cost	225 125	215 063
Financial assets at fair value through surplus or deficit	19 514	130 564
Cash and cash equivalents held in investment portfolios	244 639	345 627

Short-term investments

Short-term investments relating to funds held to finance the implementation of health programmes are invested in cash and high-quality short-term government, agency and corporate bonds and time deposits as defined in the approved investment policy.

Investments included within “financial assets at fair value through surplus or deficit” include fixed-income securities and derivative instruments held to cover projected liabilities and any unexpected cash requirements.

Financial assets in the externally managed portfolios designated as at fair value through surplus or deficit are classified as short-term investments where the investment time horizon objective of these portfolios is less than or equal to one year.

For short-term tactical investment reasons, the external managers of these portfolios may from time to time decide to lengthen temporarily the average duration of these portfolios to slightly longer than one year. This will not change the short-term classification of these financial assets unless the investment time horizon objective of the portfolio and the duration of its benchmark have been changed to more than one year.

Other receivables include accrued revenue on investments and receivables from investments that were sold before 31 December 2023 and settled after that date.

Description	31 December 2023	31 December 2022
Financial assets at amortized cost	1 135 994	2 008 138
Financial assets at fair value through surplus or deficit	3 306 595	2 842 664
Receivables from investments	49 887	65 680
Total short-term investments	4 492 476	4 916 482

Time deposits

Time deposits include hedged time deposits in currencies other than United States dollars which can yield greater interest earnings when forward currency exchange rates are favourable. The currency exchange rate risk of these time deposits is fully hedged using forward foreign exchange contracts.

Description	31 December 2023	31 December 2022
Time deposits in US dollars	905 000	1 400 000
Time deposits in non-US dollars	230 994	608 138
Total time deposits	1 135 994	2 008 138

Long-term investments

Long-term investments for the Terminal Payments Fund are placed in line with the approved investment policy and are invested in high-quality, medium-dated and long-dated, government, agency and corporate bonds. The financial assets at fair value through surplus or deficit in the Terminal Payments Fund investment portfolio are classified as long-term investments in accordance with the investment time horizon objective of the portfolio and the duration of its benchmark, which are both greater than one year. The majority of these investments are invested in an externally managed global bond fund.

Description	31 December 2023	31 December 2022
Financial assets at fair value through surplus or deficit	106 942	99 767
Total long-term investments	106 942	99 767

Financial liabilities

Financial liabilities disclosed under “financial liabilities at fair value through surplus or deficit” arise from derivative transactions such as foreign exchange forward contracts and interest rate swaps, including:

- derivative contracts transacted by the portfolio managers to adjust the currency and the interest rate exposures and positions of the portfolios; and
- forward foreign exchange contracts transacted by WHO to hedge the foreign exchange risk of future expenditure.

Financial liabilities disclosed under “payables and accruals” relate to other financial liabilities from investments, including assets purchased before 31 December 2023 and settled after that date.

Description	31 December 2023	31 December 2022
Financial liabilities at fair value through surplus or deficit	10 370	32 760
Payables from investments	8 932	36 188
Total financial liabilities	19 302	68 948

The fair value hierarchy

The fair value hierarchy represents the categorization of market pricing to indicate the relative ease with which the value of investments held by WHO can be realized.

The majority of the financial instruments held by WHO have quoted prices in active markets which are classified as Level 1. Derivative instruments which are transacted over the counter are classified as Level 2 because their fair value is observable – either directly as a price, or indirectly after being derived from prices. The instruments shown under the Level 2 fair value measurement category consist of foreign currency hedging forward contracts and derivative contracts in the externally managed portfolios.

Description	Level 1	Level 2	Total
	US\$ thousands		
Cash and cash equivalent held by investment portfolio			
Financial assets at amortized cost			
Financial assets at fair value through surplus or deficit	19 514		19 514
Total cash and cash equivalents held by investment portfolios	19 514		19 514
Short-term investments			
Financial assets at fair value through surplus or deficit	3 287 599	15 971	3 303 570
Total short-term investments	3 287 599	15 971	3 303 570
Long-term investments			
Financial assets at fair value through surplus or deficit	106 942		106 942
Financial liabilities			
Financial liabilities at fair value through surplus or deficit		(10 370)	(10 370)
Total	3 414 055	5 601	3 419 656

Risk management

WHO is exposed to financial risks including credit risk, interest rate risk, foreign exchange risk and investment price risk. The Organization uses derivative financial instruments to hedge some of its risk exposures. In accordance with WHO's Financial Regulations and Financial Rules, funds not required for immediate use may be invested. All investments are carried out within the framework of the investment policy approved by the Director-General. Some portfolios are managed by external managers appointed by the Organization to manage funds in accordance with a defined mandate. The Advisory Investment Committee reviews regularly the investment policies, the investment performance and the investment risk for each investment portfolio. The Committee is composed of external investment specialists who can make investment recommendations to the Director-General.

Nature of financial instruments

Investments are categorized as follows.

Investments with short-term maturities. These investments are invested in cash and high-quality short-dated government, agency, and corporate bonds as defined in the approved investment policy.

Investments with long-term maturities. These investments comprise funds managed for the Terminal Payments Fund as defined in the approved investment policy. They are invested in high-quality medium-dated and long-dated, government, agency and corporate bonds and an externally managed global bond index fund.

Credit risk

WHO's investments are widely diversified in order to limit its credit risk exposure to any individual investment counterparty. Investments are placed with a wide range of counterparties using minimum credit quality limits and maximum exposure limits by counterparty established in investment mandates. These limits are applied both to the portfolios managed internally by the Organization's Treasury Unit, and to the portfolios managed by external investment managers. The Treasury Unit monitors the total exposure to counterparties across all internally and externally managed portfolios.

The credit risk and liquidity risk for cash and cash equivalents are minimized by investing only in major financial institutions which have been designated with strong investment grade credit ratings by primary credit rating agencies. The Treasury Unit regularly reviews the credit ratings of the approved financial counterparties and takes prompt action whenever a credit rating is downgraded. The investments with long-term credit ratings are summarized as follows.

Minimum rating category	Total asset value
	US\$ thousands
AAA	506 537
AA+	1 178 647
AA	59 352
AA-	301 769
A+	226 947
A	202 331
A-	271 525
Not rated	676 569
Total	3 423 677

Where the investments and securities are not rated for creditworthiness by the major credit ratings agencies (for example, fixed income securities issued by sovereigns, collateralized mortgage obligations issued by sovereign backed agencies and investment funds), the Treasury Unit ensures that the deposits and securities and the constituent securities in the investment funds are issued by issuers whose credit ratings are equal to or better than the single A minimum credit rating requirement for WHO investments as set out in the investment guidelines for the external portfolio managers which are agreed with the Advisory Investment Committee, and the investment grade minimum credit rating requirement for investments for the Terminal Payments Fund, which is also agreed with the Advisory Investment Committee.

Interest rate risk

WHO is exposed to interest rate risk through its short-term and long-term fixed-income investments. The metric investment duration is a measure of sensitivity to changes in market interest rates, and the effective average duration of the Organization's investments as at 31 December 2023 was 0.8 years for short-term investments (excluding the bank deposits) and 6.7 years for long-term investments. An increase of 1% in the interest rate would cause a decrease of 0.8% in the value of the short-term investments (excluding bank deposits) and a decrease of 6.7% in the value of the long-term investments. The interest rates on short-term bank deposits are fixed at the time of investment; their values are not affected by any subsequent movement in interest rates.

Fixed-income derivative instruments may be used by external investment managers to manage interest rate risk under strict investment guidelines. Interest rate instruments of this type are used for portfolio duration management and for strategic interest rate curve positioning.

There were no interest rate swaps held in the WHO portfolios as at 31 December 2023.

The net outstanding interest rate and bond futures contracts are summarized below.

Long positions

Products	Exchange ^a	No. of contracts
3-month Secured Overnight Financing Rate (SOFR) JUN 2025	CME	461
US 2-year T-Note MAR 2024	CME	28
US 5-year T-Note MAR 2024	CME	372

^a CME refers to the Chicago Mercantile Exchange.

Short positions

There were no short positions held in the WHO portfolios as at 31 December 2023.

Foreign exchange currency risk

The base currency for WHO's accounting and budgeting is the United States dollar. However, a significant proportion of WHO's income and expenditure is in currencies other than the United States dollar. The Organization is consequently exposed to foreign exchange currency risk arising from fluctuations in currency exchange rates.

WHO uses several foreign exchange hedging techniques and programmes to minimize the risk of exchange rate movements. In addition, 50% of assessed contributions are calculated in Swiss francs to mitigate the currency risk of headquarters expenditure in Swiss francs.¹

The goal of the foreign exchange hedging programmes is to provide a period of certainty for future exchange rates, delay the impact of significant exchange rate movements and provide time for budgets to be adjusted for those movements.

Exchange rate gains and losses on the purchase and sale of currencies, revaluation of cash and bank book balances, and all other exchange differences are adjusted against the funds and accounts eligible to receive interest under the interest apportionment programme. The translation of transactions expressed in other currencies into the United States dollar is performed at the United Nations Operational Rates of Exchange prevailing at the date of transaction. Assets and liabilities that are denominated in foreign currencies are translated at the United Nations Operational Rates of Exchange year-end closing rate. Forward foreign exchange contracts are transacted to hedge foreign currency exposures and to manage short-term cash flows. Realized and unrealized gains and losses resulting from the settlement and revaluation of foreign currency transactions are recognized in the Statement of Financial Performance (Statement II).

Hedging foreign exchange exposures on future payroll costs: The United States dollar value of non-United States dollar expenditure in 2024 has been protected from the impact of movements in foreign exchange rates through the transaction of forward currency contracts during 2023. As at 31 December 2023, these forward foreign currency exchange hedging contracts by currency are summarized as follows.

Currency forward bought	(in thousands)	Net amount sold	Net unrealized gain/(loss)
		(US\$ thousands)	
Swiss franc	227 150	262 860	12 570
Euro	151 200	166 730	1 750
Indian rupees	2 640 000	31 373	74
Malaysian ringgits	52 800	11 796	(132)
Philippine pesos	853 000	15 186	206
Total		487 945	14 468

There was a net unrealized gain on these contracts of US\$ 14.5 million as at 31 December 2023 (unrealized loss of US\$ 4.3 million as at 31 December 2022). Realized gains or losses on these contracts will be recorded on maturity of the contracts and applied during 2024.

Hedging foreign exchange exposures on receivables and payables: Currency exchange risk arises as a result of differences in the exchange rates at which foreign currency receivables or payables are recorded, and the exchange rates at which the cash receipt or payment is subsequently recorded. A monthly programme of currency hedging is in place to protect against this foreign currency risk. On a monthly basis, the exposures in respect of receivables are netted by currency and each significant foreign currency exposure is sold forward using a forward foreign exchange contract equal and opposite to the net currency exposure. There is no significant

¹ See resolution WHA66.16 (2013).

foreign exchange exposure on accounts payable because supplier invoices are recorded and paid within a very short period of time.

These exposures are re-balanced at each month-end to coincide with the setting of the monthly United Nations Operational Rates of Exchange. Through this process the exchange gains or losses realized on the forward foreign currency contracts match the corresponding unrealized exchange losses and gains on the movements in net receivables. As at 31 December 2023, the total forward foreign currency exchange hedging contracts by currency were as follows.

Currency forward sold	(in thousands)	Currency forward bought	Net unrealized gain/(loss)
		(US\$ thousands)	
Canadian dollar	9 215	6 988	(4)
Swiss franc	8 239	9 865	49
Danish kroner	7 500	1 117	5
Euro	381 394	423 520	624
Pounds sterling	34 007	43 375	54
Norwegian kroner	34 699	3 421	(12)
Swedish kroner	10 100	1 016	6
Total		489 302	722

There was a net unrealized loss on these contracts of US\$ 0.7 million as at 31 December 2023 (unrealized net loss of US\$ 2.4 million as at 31 December 2022). Realized gains or losses on these contracts will be recorded on the maturity of the contracts and applied during 2024.

The above table does not include data for hedging contracts that are transacted by WHO on behalf of other entities, which are reported in their separate financial statements.

Forward foreign exchange contracts for hedged time deposits in currencies other than United States dollars:

Forward foreign exchange contracts are used to hedge the foreign currency risk of deposits in currencies other than United States dollars, as shown in the table below:

Currency forward bought (in thousands)	Net amount sold	Net unrealized gain/(loss)
		(US\$ thousands)
Euro	193 881	(3 870)
Pounds sterling	35 711	(1 758)
Total	229 592	(5 628)

Forward foreign exchange contracts to manage operational cash flows: Forward foreign exchange contracts are also used to manage short-term cash flows of foreign currency balances to minimize foreign currency transaction risk. At 31 December 2023, a total net amount of 41.7 million Swiss francs were forward sold against the United States dollar. The maturity dates of these forward foreign exchange contracts were in January 2024. Net unrealized losses on these contracts amounted to US\$ 0.8 million as at 31 December 2023 (unrealized losses of US\$ 4000 as at 31 December 2022).

Sensitivity of forward foreign exchange contracts to movements in the relative value of the United States dollar: A 1% appreciation in the relative value of the United States dollar against the forward foreign exchange hedging contracts detailed above would result in an increase in the net unrealized gain of US\$ 9.4 million. A 1% depreciation in the relative value of the United States dollar would result in an increase in the net unrealized loss of US\$ 9.6 million.

Forward and spot foreign exchange contracts and other derivative financial instruments are held within the externally managed investment portfolios: In accordance with the investment guidelines set up for each externally managed portfolio, the external investment managers use forward and spot foreign exchange contracts, futures contracts and interest rate swap contracts to manage the currency and interest rate risk of groups of securities within each portfolio. The net values of these instruments as at 31 December 2023, as evaluated by the Organization's investment custodian, are recorded by portfolio under "financial assets/liabilities at fair value through surplus or deficit". On a monthly basis, the exposures in respect of receivables and accounts payable are netted by currency and each significant net foreign currency exposure is bought or sold forward against the United States dollar using a forward foreign exchange contract equal and opposite to the net currency exposure. The outstanding forward and spot foreign exchange contracts are summarized hereafter.

Net sold amount against US dollar	(in thousands)	US dollar equivalent
	(in thousands)	
Australian dollar	40 731	27 008
Canadian dollar	86 116	63 539
Japanese yen	1 684 298	11 513
Total		102 060

A 1% appreciation in the relative value of the United States dollar against the above-mentioned forward foreign exchange hedging contracts would result in an increase in the unrealized gain of US\$ 1.0 million. A 1% depreciation in the relative value of the United States dollar would result in an increase in the unrealized loss of US\$ 1.1 million.

4.3 Receivables

As at 31 December 2023, total receivables (current and non-current) amounted to US\$ 1836 million (US\$ 1920 million as at 31 December 2022). The receivable balance includes outstanding amounts for both assessed and voluntary contributions. Receivables are split between current and non-current based on the payment terms of when the amounts become due.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Accounts receivable – current		
Assessed contributions receivable ^a	171 169	130 226
Voluntary contributions receivable ^b	1 273 602	1 426 499
Other receivables	37 370	22 575
Allowance for doubtful accounts receivable	(54 512)	(41 173)
Total accounts receivable – current	1 427 629	1 538 127
Accounts receivable – non-current		
Outstanding rescheduled assessments receivable ^a	17 083	18 997
Voluntary contributions receivable ^b	408 845	381 590
Allowance for doubtful accounts receivable	(17 083)	(18 997)
Total accounts receivable – non-current	408 845	381 590
Total accounts receivable	1 836 474	1 919 717

^a See document A77/21 for details of the status of collection of assessed contributions.

^b See document A77/INF./2 for details of voluntary contributions receivable.

The ageing of current assessed contributions and voluntary contributions receivable is as follows:

Description	31 December 2023	31 December 2022
	US\$ thousands	
Assessed contributions receivable (current)		
2024	1 915	
2023	135 944	7 321
2022	13 184	90 488
2021	6 904	27 541
2020 and earlier	4 517	5 498
Revaluation gains / (losses)	8 705	(622)
Gross assessed contributions (current)	171 169	130 226
Voluntary contributions receivable (current)		
2024	491 548	
2023	551 066	602 692
2022	148 439	661 787
2021	47 938	137 884
2020 and earlier	19 787	40 640
Revaluation gains/(losses)	14 824	(16 504)
Gross voluntary contributions (current)	1 273 602	1 426 499

With certain contributors, WHO signs agreements that may span many years of implementation. These agreements do not state the payment terms for the transfer of instalments; instead, they are reimbursed based on the quarterly expenses incurred. WHO records the full amount of revenue in the financial year in which the agreement is signed and recognizes the full receivable as currently due. As at 31 December 2023, the total receivable shown as currently due under this arrangement was US\$ 396.8 million of which US\$ 7.7 million was due on agreements ending in 2025 and beyond. (US\$ 478.3 million outstanding as currently due at 31 December 2022, of which US\$ 27.8 million outstanding was due on agreements ending in 2024 and beyond). From the total receivable, US\$ 74 million relates to quarterly expenses incurred as of 31 December 2023 and the remaining balance of US\$ 322.8 million relates to work planned in the future.

The movement in current assessed contributions receivable during the reporting period is summarized below. Document A77/21 provides further details of the status of collection of assessed contributions.

Description	2022 and prior	2023	Rescheduled	Total
	US\$ thousands			
Assessed contributions receivable				
Opening at 1 January 2023	122 904		26 319	149 223
Reversal of opening revaluation	622			622
Assessment		499 516		499 516
Collections	(98 919)	(367 128)	(3 766)	(469 813)
Revaluations	1 134	7 570		8 704
Amounts rescheduled based on WHA resolution				
Closing balance at 31 December 2023	25 741	139 958	22 553	188 252
Presented as:				
Accounts receivable (current)	25 741	139 958	5 470	171 169
Accounts receivable (non-current)			17 083	17 083

Current voluntary contributions receivable include the following segments:

Description	31 December 2023	31 December 2022
	US\$ thousands	
Base	732 293	736 149
Emergency	336 492	446 665
Polio	152 859	196 104
Other	51 958	47 581
Gross voluntary contributions (current)	1 273 602	1 426 499

Other receivables are comprised primarily of amounts receivable from PAHO and sales tax receivable.

Allowance for doubtful accounts receivable

As at 31 December 2023, the total allowance for doubtful accounts receivable was US\$ 71.6 million (US\$ 60.2 million at 31 December 2022). This figure comprises an allowance of US\$ 52.8 million for assessed contributions, an allowance of US\$ 12.1 million for voluntary contributions and an allowance of US\$ 6.7 million for other receivables.

The allowance for assessed contributions receivable – current includes: (i) all amounts receivable from prior years; (ii) rescheduled assessments currently due; and (iii) amounts due for the current year from Member States in arrears to an extent that would justify invoking Article 7 of the Constitution, less any subsequent payments received before the preparation of the financial statements. The allowance for assessed contributions – non-current includes all non-current rescheduled assessments.

The allowance for voluntary contributions receivable is based on a detailed review of all amounts receivable more than one year overdue and a review of amounts less than one year overdue where there is evidence that the amount is unlikely to be received.

The allowance for other receivables is based on a detailed review of all amounts receivable more than two years overdue where the collection is in doubt.

The movement in the allowance for doubtful debts is as follows.

Description	31 December 2023				31 December 2022			
	US\$ thousands							
	Assessed contributions	Voluntary contributions	Other receivables	Total	Assessed contributions	Voluntary contributions	Other receivables	Total
Opening balance as at 1 January	47 320	6 955	5 895	60 170	61 808	1 634		63 442
Write-off of accounts receivable previously provided								
(Decrease)/increase in allowance for doubtful accounts receivable (refer to Note 5.1)	5 449	5 134	842	11 425	(14 488)	5 321	5 895	(3 272)
Ending balance as at 31 December	52 769	12 089	6 737	71 595	47 320	6 955	5 895	60 170
Of which:								
Allowance – current	35 686	12 089	6 737	54 512	28 323	6 955	5 895	41 173
Allowance – non-current	17 083			17 083	18 997			18 997
Total allowance for doubtful accounts receivable	52 769	12 089	6 737	71 595	47 320	6 955	5 895	60 170

The allowance for doubtful other accounts receivable relates to sales tax receivable (US\$ 6.3 million) and direct financial cooperation refunds receivable (US\$ 0.4 million) from the governments of the following countries:

Description	31 December 2023	31 December 2022
US\$ thousands		
Sales tax receivable		
India	1 119	1 127
Mozambique	782	551
Papua New Guinea	547	404
Lebanon	519	456
Zimbabwe	409	355
Sudan	319	267
Bangladesh	315	213
Eswatini	307	169
Morocco	302	223
South Africa	274	248
Others	1 450	1 882
Total sales tax receivable	6 343	5 895
Direct financial cooperation refunds receivable		
Democratic Republic of the Congo	338	0
Togo	39	0
United Republic of Tanzania	17	0
Total direct financial cooperation refunds receivable	394	0
Total allowance for doubtful accounts receivable – other	6 737	5 895

4.4 Staff receivables

The total balance of staff receivables amounted to US\$ 20.5 million as at 31 December 2023 (US\$ 16.0 million as at 31 December 2022). The largest balance relates to education grant which represents advances made to staff for the 2024 portion of the 2023–2024 school year.

Description	31 December 2023	31 December 2022
US\$ thousands		
Salary advances	993	1 120
Education grant advances	18 094	13 445
Rental advances	1 177	1 168
Travel receivables	272	316
Total staff receivables	20 536	16 049

4.5 Inventories

The total value of inventory as at 31 December 2023 was US\$ 170.3 million (US\$ 178.3 million as at 31 December 2022). The movement of inventory items during the year is shown in the table below:

Description	31 December 2022	Adjustment	Additions	Shipments	Disposals and expired items	Inventory in-transit	31 December 2023
US\$ thousands							
Medicines, vaccines and humanitarian supplies	171 462	(823)	113 212	(118 109)	(20 563)	19 516	164 695
Publications	6 826		872	(1 269)	(838)		5 591
Total inventory	178 288	(823)	114 084	(119 378)	(21 401)	19 516	170 286

Additions represent the total value of inventory items received in warehouses. Shipments represent the total value of inventory items dispatched.

Disposals represent the removal of non-expired stocks due to damage or obsolescence. Expired items represent inventory items that reach their expiry date while still in stock.

In 2023, an adjustment totalling US\$ 0.8 million was made to remove inventory items added in 2022 which were determined subsequently not to meet the inventory recognition criteria.

Total expenses relating to inventories during the period (shipments, disposals and expired items) amounted to US\$ 140.8 million (US\$ 229.2 million during the year ended 31 December 2022). This amount includes expired items written off in 2023 totalling US\$ 20 million and reported under "General Operating Expenses" in the Statement of Financial Performance (Statement II) and Note 9. The remaining expenses relating to inventories total US\$ 120.8 million are reported under "Medical supplies and materials" in the Statement of Financial Performance (Statement II).

4.6 Prepayments and deposits

The total value of prepayments as at 31 December 2023 was US\$ 7.1 million (US\$ 14.7 million as at 31 December 2022). These represent payments to suppliers in advance of the receipt of goods or services. When goods or services are delivered, prepayments are applied to the appropriate expense account.

Prepayments include US\$ 3.5 million of deposits (US\$ 3.3 million as at 31 December 2022). Deposits represent amounts given to landlords as a security to rent office space.

4.7 Property, plant and equipment

As at 31 December 2023, the total value of recognized property, plant and equipment (net of accumulated depreciation) was US\$ 272 million (US\$ 231 million as at 31 December 2022).

Details of the total property, plant and equipment are as follows.

Property

The total value of property (net of accumulated depreciation) was US\$ 249 million (US\$ 211.9 million as at 31 December 2022). The net addition of US\$ 42.1 million relates to constructions in progress for the headquarters renovation project and additions to the Regional Office in Manila. The details of property are as follows.

Major office	31 December 2022	Additions	Disposals Transfers	Impairments	Depreciation	31 December 2023
	US\$ thousands					
Headquarters						
Land	1 000					1 000
Buildings	173 446				(4 128)	169 318
Constructions in progress	16 432	40 973				57 405
Total property – Headquarters	190 878	40 973			(4 128)	227 723
Regional Office for Africa						
Land	103					103
Buildings	3 264				(200)	3 064
Constructions in progress	184		(184)			
Total property – Regional Office for Africa	3 551		(184)		(200)	3 167

Major office	31 December 2022	Additions	Disposals Transfers	Impairments	Depreciation	31 December 2023
Regional Office for the Eastern Mediterranean						
Buildings	17 082				(403)	16 679
Constructions in progress						
Total property – Regional Office for the Eastern Mediterranean	17 082				(403)	16 679
Regional Office for the Western Pacific						
Buildings	382				(11)	371
Constructions in progress		1 084				1 084
Total property – Regional Office for the Western Pacific	382	1 084			(11)	1 455
Total WHO						
Land	1 103					1 103
Buildings	194 174				(4 742)	189 432
Constructions in progress	16 616	42 057	(183)			58 490
Total property – WHO	211 893	42 057	(183)		(4 742)	249 025
Cost	258 571	42 057	(183)			300 445
Accumulated depreciation	(46 678)				(4 742)	(51 420)

WHO has 85 operating leases and 41 host country agreements for land, office and warehouse space. These agreements are under both commercial terms and provided free of charge by the host government.

Rent for the 85 operating leases is reported within general operating expenses (refer to Note 5.2). Commitments for operating leases are disclosed in Note 12.

For the 41 agreements where space was provided to WHO by host governments on a free-of-charge basis, the fair value of annual rent was estimated and recognized as an expense of US\$ 15.1 million (2022: US\$ 13.9 million) as well as in-kind contributions revenue (refer to Note 5.1, Voluntary contributions in-kind and in-service).

In locations where WHO does not own land, surface rights were granted at no cost. As the title to the land remains with the government, and the Organization does not have the ability to dispose of these rights in a commercial transaction, the value of land is not recognized in the financial statements.

The table below indicates the locations where land has been made available to WHO to construct premises.

Region	Country	City
Headquarters	Switzerland	Geneva
Africa	Equatorial Guinea	Malabo
Africa	Nigeria	Maiduguri, Borno State
Africa	South Sudan	Juba
Eastern Mediterranean	Afghanistan	Kabul
Eastern Mediterranean	Egypt	Cairo
Eastern Mediterranean	Jordan	Amman
Eastern Mediterranean	Pakistan	Islamabad
Eastern Mediterranean	Somalia	Garowe
Eastern Mediterranean	Tunisia	Tunis

Region	Country	City
South-East Asia	India	New Delhi
Western Pacific	Philippines	Manila
Western Pacific	Solomon Islands	Honiara

Plant and equipment

The total value of plant and equipment (net of accumulated depreciation) was US\$ 23.1 million as at 31 December 2023 (US\$ 19.1 million as at 31 December 2022). The details of plant and equipment are as follows.

Asset category	1 January 2023	Additions	Depreciation	Disposals / Transfers	Impairments	31 December 2023	Cost	Accumulated depreciation
US\$ thousands								
Vehicles and transport equipment	15 392	10 378	(5 950)	(335)		19 485	82 096	(62 611)
Computer and communications equipment	2 651	1 544	(1 915)	(10)		2 270	27 260	(24 990)
Machinery and specialized equipment	777	1 188	(852)	(5)		1 108	12 616	(11 510)
Furniture	265	31	(93)			203	835	(630)
Total equipment – WHO	19 085	13 141	(8 810)	(350)		23 066	122 807	(99 741)

The total depreciation for 2023 was US\$ 13.5 million (refer to Note 5.2) – US\$ 4.7 million for property and US\$ 8.8 million for plant and equipment. In addition, WHO has entered into lease agreements for 67 vehicles with the UN Fleet which fall below the recognition threshold for operating leases of US\$ 50 000 per year. Further details are provided in Note 5.2 under contractual services.

Included in plant and equipment are assets retired from active use and kept for emergencies or reserve stock, or are held for disposal. The carrying amount of these assets is as follows:

Asset category	Units	Carrying value (US\$)
Vehicles and transport equipment	164	Nil
Computer and communications equipment	194	Nil
Machinery and specialized equipment	71	Nil
Total equipment – WHO	429	Nil

In addition, the Organization continues to use a number of fully depreciated assets; the total purchase cost of these assets was US\$ 74 million.

Details of fully depreciated assets in use are as follows.

Asset category	Fully depreciated equipment in service as at 31 December 2023
	Units
Vehicles and transport equipment	1 146
Computer and communications equipment	1 599
Machinery and specialized equipment	534
Furniture	42
Total equipment – WHO	3 321

4.8 Intangibles

Intangible assets held as at 31 December 2023 amounted to US\$ 0.4 million (US\$ 0.9 million as at 31 December 2022 – restated). All intangibles relate to acquired software. Intangibles as at 31 December 2022 have been restated in line with Note 3.

Asset category	31 December 2022 (restated)	Additions	Disposals/ transfers	Amortization	31 December 2023	Acquired cost	Accumulated amortization
US\$ thousands							
Software acquired	893			(500)	393	7 657	(7 264)
Total intangible assets	893			(500)	393	7 657	(7 264)

4.9 Contributions received in advance

The amount for contributions received in advance mainly concerns payments received from Member States in 2023 for their 2024 assessed contributions. The balance for advance payments for voluntary contributions reflects funds received for agreements with start dates in 2024. Unapplied and unidentified receipts are amounts received in 2023 but not yet matched as at 31 December 2023.

Description	31 December 2023	31 December 2022
US\$ thousands		
Assessed contribution advances	57 436	49 457
Advances for voluntary contributions	39 963	17 142
Unapplied and unidentified receipts	18 690	6 654
Other advances	929	583
Total contributions received in advance	117 018	73 836

4.10 Accounts payable

Accounts payable represents the total amount due to suppliers, and payables for travel as at 31 December 2023. Accounts payable by major office are shown in Note 8.1.

Description	31 December 2023	31 December 2022
US\$ thousands		
Payables to suppliers	85 143	65 756
Payables for travel	4 191	2 938
Total accounts payable	89 334	68 694

4.11 Staff payable

The balance of staff payable represents the total amount outstanding to staff as at 31 December 2023. Salaries payable consist of balances due to staff pending the finalization of clearance certificates. Bank returns are balances due to staff for which the payment is pending the receipt of updated bank account information.

Description	31 December 2023	31 December 2022
US\$ thousands		
Salaries payable	1 741	1 814
Bank returns	132	112
Total staff payable	1 873	1 926

4.12 Accrued staff benefits

Accrued staff benefits include terminal payments, staff health insurance, group accident and illness insurance and liabilities due to service-incurred injuries, illnesses and deaths (Special Fund for Compensation).

In 2023, the overall accrued staff benefit liability decreased by US\$ 104 million from US\$ 457.2 million as at 31 December 2022 to US\$ 353.2 million as at 31 December 2023. This was primarily due to the following factors:

Liability decreased by US\$ 280.6 million due to:

- Net favourable movement in contributions received and payments made to scheme participants of all funds of US\$ 118.7 million; and
- Gain and interest on investments of US\$ 155 million; and
- Other actuarial factors of US\$ 6.9 million.

Liability increased by US\$ 176.6 million due to:

- Unfavourable actuarial adjustments resulting from changes in the global financial environment of US\$ 54.8 million;
- Unfavourable actuarial adjustments resulting from demographic changes (for example, life expectancy) of US\$ 14.6 million.
- Amount accrued annually based on entitlements earned by scheme participants (also referred to as service cost) of US\$ 56.7 million; and
- Notional interest resulting from actuarial calculations charged on the staff benefit liability of US\$ 50.5 million.

Further details are provided per fund in the sections and table (Actuarial summary of terminal payments, the Staff Health Insurance and the Special Fund for Compensation) below.

Terminal payments

The Terminal Payments Fund was established to finance the terminal emoluments of staff members, including repatriation grants, accrued annual leave, repatriation travel and removal on repatriation. It is funded by a charge made to salary.

Liabilities arising from repatriation benefits and annual leave are determined by independent consulting actuaries. However, the accrued leave is calculated on a walk-away basis – that is, as if all staff separated immediately – and, therefore, is not discounted.

The latest actuarial study (as at 31 December 2023) estimated the full terminal payment liability to be US\$ 137.6 million (short-term liability, US\$ 74 million; long-term liability, US\$ 63.6 million) compared to US\$ 147.4 million as at 31 December 2022, a net decrease of US\$ 9.8 million, which is recognized by nature of expense, in the Statement of Financial Performance (Statement II). This calculation does not include costs for the end-of-service grant, separation by agreement or abolishment of posts. The defined benefit obligation amounted to US\$ 74.4 million (US\$ 72 million as at 31 December 2022) for terminal entitlements, and US\$ 63.2 million (US\$ 75.4 million as at 31 December 2022) for annual leave which is included in the terminal payments current balance. Assets of US\$ 96.4 million (US\$ 98.4 million as at 31 December 2022) have been earmarked to settle these liabilities, representing 70% funding of the total liability (67% as at 31 December 2022).

Special Fund for Compensation

In the event of an injury, illness or death attributable to the performance of official duties of an eligible staff member, the Special Fund for Compensation provides compensation to disabled staff members (for the duration

of the disability up to a maximum age of 65) or to the surviving spouses and in certain circumstances to other family members.

WHO accounts for the Special Fund for Compensation as a post-employment benefit. Actuarial gains and losses are recognized in the Statement of Changes in Net Assets/Equity (Statement III), in accordance with IPSAS 39 (Employee Benefits).

As per the actuarial study, the total liability was US\$ 26.3 million as at 31 December 2023 (US\$ 25.6 million as at 31 December 2022). The liability increased mainly due to the decrease in the discount rate and increase in notional interest. In accordance with IPSAS 39 (Employee Benefits), the actuarial loss of US\$ 0.3 million (gain of US\$ 30.2 million in 2022) was credited directly to net assets/equity (Statement III) in 2023, and US\$ 0.4 million (US\$ 3.8 million in 2022) was charged by nature of expense in the Statement of Financial Performance (Statement II). Assets of US\$ 23.6 million (US\$ 22.7 million as at 31 December 2022) have been earmarked to settle these liabilities, representing 90% funding of the total liability (89% as at 31 December 2022).

Accident and Illness Insurance

The Accident and Illness Insurance Fund was established to cover benefit payments in the event of death, permanent disability, loss of function and sick leave to staff members of WHO, PAHO, IARC, the International Computing Centre, Unitaid and UNAIDS. It is funded by contributions from staff and their organizations.

Liabilities for these benefits are determined by professional consulting actuaries and recorded as other long-term benefits. In accordance with IPSAS 39 (Employee Benefits), a net decrease of US\$ 1.2 million (US\$ 0.2 million in 2022) was recognized by nature of expense, in the Statement of Financial Performance (Statement II).

As per the actuarial study, the total liability was US\$ 5.1 million as at 31 December 2023 (US\$ 6.2 million as at 31 December 2022). Assets of US\$ 5.3 million (US\$ 6.2 million as at 31 December 2022) have been earmarked to settle these liabilities, representing 105% funding of the total liability (100% as at 31 December 2022).

Staff Health Insurance

The Secretariat manages its own health insurance scheme as a separate entity. The Staff Health Insurance has its own governance structure and provides for the reimbursement of a major portion of expenses for medically recognized health care incurred by staff members, retired staff members and their eligible family members. The Staff Health Insurance is financed by the contributions made by the participants (one third) and the Organization (two thirds) and from investment income.

The Organization accounts for after-service staff health insurance as a post-employment benefit. Actuarial gains and losses are recognized in the net assets/equity in accordance with IPSAS 39 (Employee Benefits).

Professional actuaries determined the 2023 defined benefit obligation for the Staff Health Insurance based on personnel data and payment experience provided by WHO. As at 31 December 2023, the unfunded defined benefit obligation amounted to US\$ 184 million (US\$ 278 million in 2022), comprising a total defined benefit obligation of US\$ 1570 million (US\$ 1447 million in 2022), offset by fund assets of US\$ 1386 million (US\$ 1169 million in 2022). This represents a net funding position of 88% (81% as at 31 December 2022).

The defined benefit obligation increased mainly due to the decrease in the discount rate in 2023, which was driven by economic conditions and unfavourable demographic movements. The plan assets also increased to a greater extent in 2023 due to favourable market conditions, and the overall net liability therefore decreased.

In accordance with IPSAS 39 (Employee Benefits), the actuarial loss of US\$ 39.5 million (actuarial gain of US\$ 983 million in 2022) was charged directly to the Statement of Changes in Net Assets/Equity (Statement III) in 2023, and US\$ 52.4 million (US\$ 3.7 million in 2022) was charged to staff costs (refer to Note 5.2).

Further details on Staff Health Insurance liability can be found in the annual report of the Staff Health Insurance scheme.

The table below summarizes actuarial liability for the Accident and Illness Insurance scheme, terminal payments, the Staff Health Insurance and the Special Fund for Compensation.

Description	31 December 2023	31 December 2022
US\$ thousands		
Accrued staff benefits – current		
Terminal payments	73 998	86 153
Special Fund for Compensation	1 163	1 074
Accident and Illness Insurance	2 986	4 356
Total accrued staff benefits – current	78 147	91 583
Accrued staff benefits – non-current		
Terminal payments	63 608	61 234
Special Fund for Compensation	25 107	24 435
Accident and Illness Insurance	2 076	1 889
Staff Health Insurance	184 290	278 083
Total accrued staff benefits – non-current	275 081	365 641
Accrued staff benefits		
Terminal payments	137 606	147 387
Special Fund for Compensation	26 270	25 509
Accident and Illness Insurance	5 062	6 245
Staff Health Insurance	184 290	278 083
Total accrued staff benefits	353 228	457 224

Actuarial summary of terminal payments, the Staff Health Insurance and the Special Fund for Compensation (in US\$ thousands)

Description	Terminal payments (other than accrued leave)	Special Fund for Compensation	Accident and Illness Insurance	Staff Health Insurance
Reconciliation of defined benefit obligation				
Defined benefit obligation as at 31 December 2022	71 959	25 509	6 245	1 419 361
Service cost	7 387	552	4 485	44 303
Interest on defined benefit obligation	3 911	970	111	44 585
Actual gross benefit payments	(10 136)	(583)	(5 024)	(48 044)
Actual administrative expenses		(521)	(743)	(2 689)
Actual contributions by participants				14 156
Plan amendments				
(Gain)/Loss on defined benefit obligation due to financial assumption changes	179	409	26	54 168
(Gain)/Loss on defined benefit obligation due to other assumption changes	1 062	(66)	(38)	13 683
Defined benefit obligation as at 31 December 2023	74 362	26 270	5 062	1 539 523
Reconciliation of incurred but not paid reserve				
Incurred but not paid reserve as at 31 December 2022				27 207
Interest on incurred but not paid reserve for 2023				953
(Gain)/Loss on incurred but not paid reserve				2 915
Incurred but not paid reserve as at 31 December 2023				31 075
Reconciliation of assets				
Assets as at 31 December 2022				1 168 484
Actual gross benefit payments for 2023	(10 136)	(583)	(5 024)	(88 204)
Actual administrative expenses		(521)	(743)	(5 019)
Organization contributions during 2023 – regular	10 136	1 104	5 767	104 736
Organization contributions during 2023 – additional ^a				

Description	Terminal payments (other than accrued leave)	Special Fund for Compensation	Accident and Illness Insurance	Staff Health Insurance
Participant contributions during 2023				51 232
Interest on SHI assets for 2023				44 841
Gain/(Loss) on plan assets				110 238
Assets as at 31 December 2023				1 386 308
Reconciliation of unfunded status				
Defined benefit obligation				
Active	74 362	4 758		818 888
Inactive		21 512	5 062	720 636
Incurring but not paid reserve				31 074
Total defined benefit obligation	74 362	26 270	5 062	1 570 598
Plan assets				
Gross plan assets				(1 386 308)
Total plan assets				(1 386 308)
Net liability (asset) recognized in Statement of Financial Position	74 362	26 270	5 062	184 290
(Gain)/Loss on defined benefit obligation	1 241	343	(12)	(39 472)
Current	10 754	1 163	2 986	
Non-current	63 607	25 108	2 076	184 290
Net liability (asset) recognized in Statement of Financial Position	74 361	26 271	5 062	184 290
Annual expense for 2023				
Service cost	7 387	552	4 485	44 303
Interest on (surplus)/deficit	3 911	970	111	697
Past service (credit)/cost				
Remeasurements	1 241	Not applicable	(12)	Not applicable
Total expense recognized in Statement of Financial Performance	12 539	1 522	4 584	45 000
Actuarial (gain)/loss recognized in net assets/equity	Not applicable	342	Not applicable	(39 472)
Expected contributions during 2024				
Contributions by WHO	11 014	1 162	4 403	28 311
Contributions by participants				70 929
Total expected contributions for 2024	11 014	1 162	4 403	99 240

Staff health insurance sensitivity analysis

Defined benefit obligation sensitivity analysis – medical inflation	US\$ (thousands)
Current medical inflation assumption minus 1%	1 228 304
Current medical inflation assumption	1 539 523
Current medical inflation assumption plus 1%	1 865 417
Defined benefit obligation sensitivity analysis – discount rate	US\$ (thousands)
Current discount rate assumption minus 1%	1 860 151
Current discount rate assumption	1 539 523
Current discount rate assumption plus 1%	1 237 152
Approximate duration of defined benefit obligation	22 years

Actuarial methods and assumptions

Each year the Organization identifies and selects assumptions and methods that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for the Organization's employee benefits. Actuarial assumptions are required to be disclosed in the financial statements, in accordance with IPSAS 39 (Employee Benefits). In addition, each actuarial assumption is required to be disclosed in absolute terms.

In 2022, the Organization performed a full valuation to estimate the liabilities. Normally, a full valuation is done every three years.

Measurement date	
All plans:	31 December 2023
Discount rate	
Terminal payments (other than accrued leave):	The weighted-average discount rate used is 4.9% (decrease from 5.1% in prior valuation). Based on a yield curve approach that reflects the expected cash flows with weights of 100% on the Aon USD AA Above Median curve. The resulting discount rate is rounded to the nearest 0.1%.
Staff Health Insurance:	<p>Europe, 2% (decrease from 2.2% in prior valuation); the Americas, 5.1% (decrease from 5.6% in prior valuation); Other Countries, 4.8% (decrease from 5.3% in prior valuation). Specifically, the rate for Europe is a weighted average of the equivalent rates for Switzerland (1.4%) and the Euro Zone (3.4%), and 5.2% for the United States with the result rounded to the nearest 0.1%.</p> <p>Discount rates are based on the yields of high-grade corporate bonds. WHO uses a yield curve approach, which reflects the expected cash flows and assumed currency exposure – specific to the ASHI – for each grouping of offices. The liability is assumed to be incurred in Swiss francs, euros, and United States dollars, based on the approximate liability mix for each grouping of offices and the following yield curves. These curves were recommended by the United Nations for use in its retiree medical valuations, based on consultations with Aon: Switzerland – Aon Swiss AA Corp. curve, Euro Zone – Aon AA Corp. curve, and the United States – Aon AA Above Median curve.</p> <p>The discount rates for the 31 December 2023 valuation are based on the geographic locations of the offices, as described in the section below entitled Regional groupings for all purposes except claims costs. The resulting rate is rounded to the nearest 0.1%.</p>
Special Fund for Compensation:	The weighted-average discount rate used is 3.5% (decrease from 3.8% in prior valuation). Based on a yield curve approach that reflects the expected cash flows with weights of 25% on the Aon USD AA Above Median curve, 15% on the Aon Swiss AA Corp. curve and 60% on the Aon EUR AA Corp. curve. The resulting discount rate is rounded to the nearest 0.1%.
Accident and Illness Insurance:	The weighted-average discount rate used is 2.4% (decrease from 2.8% in prior valuation). Based on a yield curve approach that reflects the expected cash flows with weights of 30% on the Aon USD AA Above Median curve and 70% on the Aon Swiss AA Corp. curve. The resulting discount rate is rounded to the nearest 0.1%.

Annual general inflation

Terminal payments (other than accrued leave):	The weighted-average inflation rate used is 2.1%. The regional weightings used are 100% on United States rate. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.
Staff Health Insurance:	Europe 1.4%, the Americas 2.1%, and Other Countries 2.2%. The rates are based on the United Nations common assumptions (for long-duration plans) as directed by the United Nations System Task Force on Accounting Standards. Specifically, the rate for Europe is a weighted average of the rates for Switzerland (1.2%) and the Euro Zone (2.3%), and 2.3% for the United States with the result rounded to the nearest 0.1%. The currency weightings for each claims region are assumed to be the same currency weightings for offices located in those regions. The currency weightings used are as follows: for Europe, 80% Swiss francs, 10% United States dollars and 10% euros; for the Americas, 90% United States dollars and 10% Swiss francs; and for Other Countries, 80% United States dollars, 10% Swiss francs and 10% euros.
Special Fund for Compensation:	The weighted-average inflation rate used is 2.15%. The regional weightings used are 15% on Swiss, 60% Euro Zone and 25% on United States rate. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.
Accident and Illness Insurance:	The weighted-average inflation rate used is 1.5%. The regional weightings used are 70% on Swiss and 30% on United States rate. Rounding of the resulting weighted-average inflation rates for each plan to the nearest 0.1%.

Annual salary scale

All plans:	General inflation, plus 0.5% for productivity growth, plus merit/promotion increases.
------------	---

Regional groupings for all purposes except claims costs

Terminal payments (other than accrued leave):	Not applicable
Staff Health Insurance:	Based on: the Regional Office for Europe and headquarters, which are grouped as Europe; the Regional Office for the Americas, which constitutes the Americas; and the African Region, the Eastern Mediterranean Region, the South-East Asia Region, and the Western Pacific Region, which are grouped as Other Countries.
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

Repatriation travel and removal on repatriation

Terminal payments (other than accrued leave):	Calculated using the projected unit credit method with service prorated, and an attribution period from the entry on duty date to separation. A 2% increase is applied for incurred but not paid benefits.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

Repatriation grant, termination indemnity, and grant in case of death

Terminal payments (other than accrued leave):	Using the projected unit credit method with accrual rate proration. A 2% increase is applied for incurred but not paid benefits.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

Accrued leave

Terminal payments (other than accrued leave):	The liability is set equal to the walk-away liability – that is, as if all staff separated immediately. Plus 2% increase is applied for incurred but not paid benefits.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

Abolition of post, end-of-service grant, and separation by mutual agreement

Terminal payments (other than accrued leave):	These benefits are considered termination benefits under IPSAS 39 (Employee Benefits) and, therefore, are excluded from the valuation.
Staff Health Insurance:	Not applicable
Special Fund for Compensation:	Not applicable
Accident and Illness Insurance:	Not applicable

United Nations Joint Staff Pension Fund

WHO is a member organization participating in the United Nations Joint Staff Pension Fund (the Fund), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. WHO and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify WHO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, WHO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39 (Employee Benefits). WHO's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.

The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.

WHO's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

The latest actuarial valuation for the Fund was completed as of 31 December 2021, and the valuation as of 31 December 2023 is currently being performed. A roll forward of the participation data as of 31 December 2021 to 31 December 2022 was used by the Fund for its 2022 financial statements.

The actuarial valuation as of 31 December 2021 resulted in a funded ratio of actuarial assets to actuarial liabilities of 117.0%. The funded ratio was 158.2% when the current system of pension adjustments was not taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2021, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2020, 2021 and 2022) amounted to US\$ 8937.68 million, of which 7% was contributed by WHO.

During 2023, contributions paid to the Fund amounted to US\$ 247 million (US\$ 224 million in 2022). Expected contributions due in 2024 are approximately US\$ 272 million.

Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.

The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund publishes quarterly reports on its investments, and these can be viewed by visiting the Fund at www.unjspf.org.

4.13 Deferred revenue

Deferred revenue on voluntary contributions represents multi-year agreements signed in 2023 or prior years but for which the revenue recognition has been deferred to future financial periods. The balance on voluntary contributions is split into current and non-current deferred revenue, depending on when the funds are available to the Organization to spend. Further details of voluntary contributions by fund and by contributor are available on the WHO Programme budget web portal and the WHO website.¹

Deferred revenue on reimbursable procurement relates to revenue recognized where supplies or services have not been delivered to requesting parties at year end. As reimbursable procurement is an exchange transaction, revenue is recorded on an accrual basis. The entire amount of deferred revenue for reimbursable procurement is current.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Voluntary contributions	491 548	602 692
Reimbursable procurement	3 385	3 389
Total deferred revenue – current	494 933	606 081
Voluntary contributions	408 845	381 590
Total deferred revenue – non-current	408 845	381 590
Total deferred revenue	903 778	987 671

¹ WHO Programme budget web portal (<https://open.who.int/2022-23/home>, accessed 1 May 2024) and details of voluntary contributions by fund and by contributor, 2023 (document A77/INF./2).

Deferred revenue as at 31 December 2023 is summarized by year and segment below:

Year	Base	Emergency	Polio	Others	Total
	US\$ thousands				
2024	342 817	91 847	31 271	28 998	494 933
Total deferred revenue – current	342 817	91 847	31 271	28 998	494 933
2025	233 456	45 339	1 857	7 993	288 645
2026	80 181	8 404	-	2 004	90 589
2027	19 687			1 155	20 842
2028+	8 395			374	8 769
Total deferred revenue – non-current	341 719	53 743	1 857	11 526	408 845
Total deferred revenue	684 536	145 590	33 128	40 524	903 778

Of the total disclosed for the base segment of US\$ 685 million (US\$ 694 million in 2022), US\$ 24 million of current deferred revenue and US\$ 15 million of non-current deferred revenue is fully flexible (US\$ 40 million and US\$ 15 million in 2022). The remainder is earmarked either tightly or for high-level outcomes.

4.14 Other liabilities

The total balance for other current liabilities as at 31 December 2023 was US\$ 191 million (US\$ 158 million as at 31 December 2022). The largest components relate to US\$ 128 million for year-end accruals, US\$ 47 million for various insurance payable (which includes US\$ 43 million payable to the COVAX NFC fund) and US\$ 8.9 million relating to shipping and freight liabilities.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Accrued expenses	128 288	91 821
Pension payable	590	331
Insurance payable	46 605	45 510
Foundations	3 362	3 233
Shipping and freight liabilities	8 915	15 133
Field receipts clearing	65	23
Levy payable to United Nations	1 477	1 068
Other liabilities	1 201	1 300
Total other liabilities – current	190 503	158 419
Retention fees – non-current	2 251	199
Total other liabilities – non-current	2 251	199

The balance for foundations concerns funds that WHO holds in trust and for whose financial and administrative management the Organization is responsible. As at 31 December 2023, the foundations with funds in trust were as follows.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Down Syndrome Research Prize Foundation in the Eastern Mediterranean Region	60	57
Dr A.T. Shousha Foundation	107	102
Dr Comlan A.A. Quenum Prize for Public Health	44	42
Ihsan Doğramacı Family Health Foundation	459	436
Léon Bernard Foundation	25	22

Description	31 December 2023	31 December 2022
Francesco Pocchiari Fellowship	159	151
Foundation for the State of Kuwait Prize for the Control of Cancer, Cardiovascular Diseases and Diabetes in the Eastern Mediterranean Region	390	385
State of Kuwait Health Promotion Foundation	1 053	1 006
United Arab Emirates Health Foundation	1 059	1 028
Dr Lee Jong-Wook Memorial Prize for Public Health	6	4
Total balance – foundations	3 362	3 233

4.15 Inter-entity liabilities

WHO hosts a number of entities through administrative service agreements. As funds for all entities are managed by the Organization, liabilities exist with these entities for funds held on their behalf (refer to Note 4.2). The total amounts due per entity are as follows.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Staff Health Insurance (SHI)	56 703	99 235
International Computing Centre (ICC)	38 745	37 508
International Drug Purchase Facility (Unitaid)	618 399	550 541
Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS)	144 748	164 808
Total inter-entity liabilities	858 595	852 092

4.16 Long-term borrowings

Resolution WHA55.8 (2002) and resolution WHA56.13 (2003), authorized the construction of a new building at headquarters for WHO and UNAIDS at an estimated cost of 66 million Swiss francs, of which WHO's share was estimated at 33 million Swiss francs. The Swiss Confederation agreed to provide an interest-free loan to WHO and UNAIDS of 59.8 million Swiss francs, of which WHO's share is 29.9 million Swiss francs. In the resolutions mentioned above, the World Health Assembly also approved the use of the Real Estate Fund for the repayment over a 50-year period of the Organization's share of the interest-free loan provided by the Swiss Confederation with effect from the first year of the completion of the building.

The outstanding amount of the loan was discounted using the Swiss Confederation 30-year bonds rate of 0.494% at December 2023 (1.476% for 2022).

In 2015, following decision WHA67(12) (2014), the Organization signed a new interest-free loan agreement of 140 million Swiss francs for the planning and construction of a new WHO building in Geneva which was fully received in 2021.

Repayments on the two loans commenced in accordance with the loan agreements and the outstanding balance of the two loans as at 31 December 2023 was US\$ 162.9 million (US\$ 123 million as at 31 December 2022) and is made up as follows.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Current liabilities		
WHO/UNAIDS building	716	648
WHO headquarters building (new)	3 353	3 034
Total current liabilities	4 069	3 682
Non-current liabilities		
WHO/UNAIDS building	21 150	16 829
WHO headquarters building (new)	137 678	102 490
Total non-current liabilities	158 828	119 319
Total long-term borrowings	162 897	123 001

The maturity of these liabilities is as follows:

2023	WHO/UNAIDS building	WHO headquarters building (new)	Total borrowings
US\$ thousands			
Under one year	716	3 353	4 069
One to five years	3 581	16 766	20 347
Five years +	17 569	120 912	138 481
Total long-term borrowings	21 866	141 031	162 897

5. Supporting information to the Statement of Financial Performance

5.1 Revenue¹

Assessed contributions

Assessed contributions for 2023 were US\$ 494.1 million² (US\$ 495.9 million for 2022).

Description	31 December 2023	31 December 2022
US\$ thousands		
Assessed contributions	499 516	481 406
(Increase)/Decrease in allowance for doubtful accounts	(5 449)	14 487
Assessed contributions net of allowance	494 067	495 893
Total assessed contributions	494 067	495 893

In May 2021, the Seventy-fourth World Health Assembly adopted the resolution for the financial period 2022–2023,³ in which it approved a total effective budget of US\$ 6121.7 million (including US\$ 1000 million for emergency operations and appeals). In May 2022, the total effective budget for the financial period 2022–2023 was revised to US\$ 6726.1 million (including US\$ 1000 million for emergency operations and appeals).⁴ In resolution WHA74.3 (2021), the Health Assembly further resolved that the total assessment on Member States in respect of the financial period 2022–2023 would be US\$ 964.9 million.

Following resolution WHA66.16 (2013), where the total annual assessed contribution for a Member State is US\$ 200 000 or more, the contribution is assessed half in United States dollars and half in Swiss francs. Where the annual assessed contribution for a Member State is less than US\$ 200 000, the contribution is assessed in United States dollars only.

The annual assessment for 2023 amounted to US\$ 482.5 million or US\$ 243.8 million and 236.0 million Swiss francs per year using the May 2022 exchange rate. Contributions are due from 1 January, so the Swiss franc portion of the assessment was recorded at the January 2023 exchange rate, which resulted in an exchange gain on recording of US\$ 17.1 million.

As at the reporting date 73% of assessed contributions for 2023 had been received by the Organization (2022: 81%). Amounts outstanding are further detailed in Note 4.3.

¹ Revenue is further analysed by fund in Schedule I.

² See document A77/21 for details of the status of collection of assessed contributions.

³ Resolution WHA74.3 (2021).

⁴ Resolution WHA75.5 (2022).

Voluntary contributions

Voluntary contributions for 2023 were US\$ 2746 million (US\$ 3656 million for 2022).

Description	31 December 2023	31 December 2022
	US\$ thousands	
Voluntary contributions	2 750 889	3 661 770
(Increase)/Decrease in allowance for doubtful debts	(5 134)	(5 321)
Voluntary contributions net of allowance	2 745 755	3 656 450

These contributions represent revenue recognized from governments, intergovernmental organizations, institutions, other United Nations organizations as well as nongovernmental organizations. US\$ 483.5 million of the revenue reported in 2023 relates to agreements that continue in future years (2022: US\$ 571.2 million). Further details of voluntary contributions by fund and by contributor are contained in the Annex to the Financial Report.¹

Voluntary contribution revenue is split by segment as per the following table:

Description	31 December 2023	31 December 2022
	US\$ thousands	
Base	1 303 230	1 130 973
Emergency	860 479	1 825 314
Polio	518 333	616 722
Other	68 847	88 761
Voluntary contributions (gross)	2 750 889	3 661 770

The figure for total voluntary contributions reported of US\$ 2746 million is after the deduction of: (i) refunds to contributors – these amounted to US\$ 19.8 million (US\$ 12.8 million for 2022); (ii) reductions in revenue recognized in prior years due to evidence arising in the current year that amounts will no longer be collected – these amounted to US\$ 26.6 million (US\$ 27.9 million for 2022); and (iii) the revision of payment terms decreasing the current revenue by US\$ 6.2 million (US\$ 0.8 million for 2022). There was no correction to payment terms in 2023 (US\$ 21.6 million in 2022 with the effect of increasing deferred revenue by US\$ 16.6 million and decreasing current revenue by US\$ 5.0 million).

In line with the accounting policy, agreements signed in one financial year stating a start date of the agreement in the following financial year will be recorded and revenue recognized in the following financial period based on the start date. At the time of financial statements preparation, US\$ 192.9 million of revenue or deferred revenue was recorded in January 2024 based on agreements signed in 2023 with a start date of 1 January 2024. Where cash was received for these agreements before 31 December 2023, funds have been recorded as advances and disclosed under Note 4.9.²

Voluntary contributions in-kind and in-service

WHO receives non-cash contributions from Member States and other contributors. In 2023, the Organization received in-kind and in-service contributions amounting to US\$ 55.1 million (US\$ 146.3 million as at

¹ Document A77/INF./2, the Annex to the Financial Report, is also available at: <https://www.who.int/about/accountability/financial-statements>.

² Further details of voluntary contribution revenue and expenditure by programme country and United Nations entity are provided in Annexes I and II.

31 December 2022)).¹ Of the comparative amount of US\$ 146.3 million, US\$ 61 million related to a contribution of medical supplies and materials received and delivered to countries during 2021 and early 2022, which was fully accounted for in 2022.

Description	31 December 2023	31 December 2022
	US\$ thousands	
In-kind – medical supplies and materials	25 309	109 901
In-kind – office space and field supplies	15 518	16 738
In-kind – contractual services	284	8 190
In-service	14 026	11 442
Total voluntary contributions in-kind and in-service	55 137	146 271

In addition, WHO also benefits from the right to use land made available from the host governments at no cost. Further details are provided in Note 4.7.

5.2 Expenses

Description	31 December 2023	31 December 2022 (restated)
	US\$ thousands	
Staff costs		
Salary cost	1 220 143	1 062 026
Actuarial cost	(54 321)	3 731
Other personnel costs	76 511	98 421
Total staff costs	1 242 333	1 164 178
Medical supplies and materials		
Medical supplies	304 402	401 180
Medical supplies – in-kind	25 309	109 901
Total medical supplies and materials	329 711	511 081
Contractual services		
Direct implementation	446 139	392 049
Contractual services general	960 812	778 245
Consultants and research contracts	38 244	36 285
Special service agreements	109 674	97 843
Security and other costs	29 856	24 800
Services in-kind	284	8 190
Total contractual services	1 585 009	1 337 412
Transfers and grants		
Direct financial cooperation	156 002	194 878
Grant letters of agreement	107 846	136 018
Equipment procured for third parties	199 111	127 893
Fellowships	1 498	1 258
Total transfers and grants	464 457	460 047
Travel		
Travel	230 820	160 912
Total travel	230 820	160 912
General operating expenses		
Office running costs and utilities	65 882	66 950
IT costs	35 407	33 402
United Nations common costs	30 490	26 863

¹ Further details of in-kind and in-service contributions are provided on the WHO Programme budget web portal available at: <http://open.who.int/2022-23/home>, and on the WHO website: <https://www.who.int/about/accountability/financial-statements/>.

Description	31 December 2023	31 December 2022 (restated)
Rent	20 914	19 355
Catering/Courtesy	15 875	8 970
Vehicle maintenance and fuel costs	6 404	6 946
External audit	314	281
Hospitality	142	236
Others ¹	37 758	13 236
Other in-kind	15 518	16 738
Total general operating expenses	228 704	192 977
Equipment, vehicles and furniture		
Equipment, vehicles and furniture	15 695	9 111
Total equipment, vehicles and furniture	15 695	9 111
Depreciation and amortization		
Depreciation	13 552	13 254
Amortization (refer to Note 4.8)	500	839
Total depreciation and amortization	14 052	14 093
Total expenses²	4 110 781	3 849 811

Staff costs

Staff and other personnel costs reflect the total cost of employing staff at all locations and include charges for base salary, post adjustment and all other entitlements (such as pensions and insurances) paid by the Organization. Staff costs also include the movement in the actuarial cost for staff health insurance, special fund for compensation, terminal payments and accident and illness insurance liability (refer to Note 4.12) that is recognized in the Statement of Financial Performance (Statement II).

Medical supplies and materials

Medical supplies and materials are mainly purchased and distributed by WHO to support programmatic activities in countries. These include vaccines, medicines, medical supplies, hospital running costs, including fuel, as well as related shipping costs. The medical supplies expense includes the cost of reimbursable procurement – refer to Note 5.1 (Other revenue) and medical supplies received as in-kind contributions.

¹ Other general operating expenses include write-offs. Please see Note 9 for further details of amounts written off.

² Expenses are further analysed by fund in Schedule I. Further details of expenses by programme country and by United Nations entity are disclosed in Annexes I and II.

Contractual services

Contractual services represent expenses incurred for suppliers such as experts and service providers who are engaged by WHO to support the Organization's programmatic activities. The main components within contractual services are direct implementation (activities such as vaccination campaigns implemented by WHO in collaboration with national governments); general contractual services (such as agreements for performance of work for outsourcing professional services, outreach activities, construction services, and programme-related operating costs); consulting and research contracts; and special service agreements with individuals to perform activities on behalf of the Organization. Security expenses are also included in contractual services. In addition, WHO has entered into lease agreements for 67 vehicles with the UN Fleet, for which payments totalling US\$ 0.2 million were made in 2023.

Transfers and grants

Transfers and grants to counterparts include grants provided to national counterparts (mainly ministries of health), letters of agreement signed with other counterparts to perform activities that are in line with the Organization's objectives, fellowship expenses and equipment purchased for third parties. Transfers and grants to government ministries are referred to as direct financial cooperation. Funds are normally expensed at the time of recording receipt of services or approval of invoices, whichever occurs earlier. Counterparts are required to report back on the use of funds to ensure that they are used according to the agreement, and WHO performs on-site monitoring and spot checks of ongoing activities on direct financial cooperation and post-facto review of selected direct financial cooperation based on risk assessments. Expenses are reported net of any refunds. WHO may withhold further funding to recipients of transfers and grants on the basis of performed assurance activities if the requirements of the agreement have not been met.

Travel

The cost of travel includes both WHO staff and non-staff participants in meetings, consultants, staff on development assignment and representatives of Member States paid by the Organization. Travel expenses include airfare, per diem and other travel-related costs.

General operating expenses

General operating expenses reflect the cost of general running costs incurred to maintain country offices, regional offices and headquarters. This includes utilities, telecommunication, office rent, maintenance and repair costs to keep assets operating at their present condition, software licences, courtesy expenses that are incurred during meetings and training, and other minor operating costs. Catastrophic accident and illness insurance premiums are also included in this category. "Other in-kind" pertains to the office rent, supplies and other items that were received as in-kind contributions

Equipment, vehicles and furniture

Total expenses for 2023 were US\$ 15.7 million (US\$ 9.1 million for 2022 – restated), which represents purchases of items below the capitalization threshold. Expenses for equipment, vehicles and furniture for 2022 have been restated in line with Note 3.

Depreciation and amortization

Depreciation is the expense resulting from the systematic allocation of the depreciable amounts of property, plant and equipment over their useful lives. All capitalized items above threshold were depreciated as per policy.

Amortization is the expense resulting from the systematic allocation of the amortizable amount of intangible assets over their useful lives and relates to purchased software.

5.3 Finance revenue/cost

Total finance revenue and cost includes amounts related to funds administered by WHO on behalf of other entities (refer to Note 4.15). The investment income relating to other entities is allocated to those entities. In addition, interest is apportioned based on average fund balance and reported as finance revenue and cost for the fund.

The details of finance revenue and cost are as follows.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Investment revenue	255 035	9 794
Bank charges and investment management fees	(5 213)	(4 183)
Net realized foreign exchange gains or (losses) ^a	58 226	28 064
Net unrealized foreign exchange gains or (losses) ^b	19 734	11 930
Net gains or (losses) on discounting of long-term borrowings ^c	(26 489)	44 829
Actuarial revaluation gains or (losses) on the Terminal Payments Fund and the Accident and Illness Insurance Fund	(1 230)	18 792
Actuarial interest cost related to valuation of the Terminal Payments Fund and the Accident and Illness Insurance Fund	(4 991)	(2 847)
Net total finance revenue (WHO and other entities)	295 072	106 379
Investment revenue and foreign exchange gains and losses apportioned to other entities	(47 661)	(12 220)
Total net finance revenue for WHO	247 411	94 159

^a Includes differences due to rounding of the financial statements to the nearest thousand United States dollars and realized hedging gains and losses.

^b Includes unrealized hedging gains and losses.

^c Losses in 2023 relate to discounting of the Building Loan and result from a decrease in interest rates, as outlined in Note 4.16.

6. Supporting information to the Statement of Changes in Net Assets/Equity

6.1 General Fund

The total balance for the General Fund as at 31 December 2023 was US\$ 4090 million (US\$ 4630 million as at 31 December 2022), of which US\$ 2988 was earmarked and US\$ 1102 million was flexible reserves. Components of the General Fund are summarized below:

Description	Notes	31 December 2023			31 December 2022		
		Flexible	Earmarked	Total	Flexible	Earmarked	Total
		US\$ thousands					
Regular budget	6.1.a	26 232		26 232	(1 999)		(1 999)
Voluntary funds	6.1.b	1 044 994	2 988 175	4 033 169	941 392	3 660 064	4 601 456
General Fund	6.1.a	1 071 226	2 988 175	4 059 401	939 393	3 660 064	4 599 457
General Fund – reserves	6.1.a	31 000		31 000	31 000		31 000
Total General Fund		1 102 226	2 988 175	4 090 401	970 393	3 660 064	4 630 457

6.1.a Regular budget

This Note provides details of revenue and expenses of the regular budget.

Description	Regular budget			General Fund – reserves	Total
	Member States Assessed Contributions Fund	Tax Equalization Fund	Total	Working Capital Fund	
	US\$ thousands				
Balance as at 1 January 2023	(24 894)	22 895	(1 999)	31 000	29 001
Net Member States’ assessed contributions (refer to Note 5.1)	494 067		494 067		494 067
Tax equalization appropriations	(4 000)	4 000			
Finance expenses	5 687		5 687		5 687
Miscellaneous revenue	570		570		570
Programmatic expenses	(456 854)		(456 854)		(456 854)
Transfer to Infrastructure Fund as per decisions WHA69(18) (2016) and WHA70(16) (2017)	(5 000)		(5 000)		(5 000)
Tax reimbursements to staff members		(10 239)	(10 239)		(10 239)
Refunds/Adjustments					
Balance as at 31 December 2023	9 576	16 656	26 232	31 000	57 232

Under resolution WHA74.3 (2021), US\$ 4 million was approved to transfer to the Tax Equalization Fund and to maintain the Working Capital Fund at its existing level of US\$ 31 million.

6.1.b Voluntary funds

This Note provides fund balance details for the core, specified and partnerships of the Voluntary Fund.

Description	Notes	31 December 2022	Income	Expenses	31 December 2023
		US\$ thousands			
Core voluntary contributions		248 551	237 092	(315 351)	170 292
Voluntary Contributions Core Fund		233 923	106 548	(185 790)	154 681
Voluntary Contributions Specified Fund		1 526 983	934 088	(900 510)	1 560 561
Special Programme for Research and Training in Tropical Diseases (TDR Trust Fund)		41 102	12 159	(14 922)	38 339
Special Programme of Research, Development and Research Training in Human Reproduction (HRP Trust Fund)		32 650	25 710	(28 819)	29 541
Special Programmes and Collaborative Arrangements Fund		320 562	544 632	(643 825)	221 369
Programme Support Costs (PSC) Fund	6.1.b.i	692 841	274 311	(92 450)	874 702
Outbreak and Crisis Response Fund		1 329 289	826 296	(1 322 583)	833 002
Contingency Fund for Emergencies	6.1.b.ii	106 349	34 183	(73 220)	67 312
Fee for service fund – exchange transactions		69 061	27 829	(13 558)	83 332
Supply Chain Fund		145	1 002	(1 109)	38
Total voluntary funds		4 601 456	3 023 850	(3592 137)	4 033 169

6.1.b.i Programme Support Costs Fund

The Programme Support Costs (PSC) Fund (formerly the Special Account for Servicing Costs Fund (AS Fund)) was established in order to support the costs of servicing activities financed from sources other than the assessed contribution budget (that is, from voluntary contributions).

The Fund is credited with revenue from the following sources:

- Under resolution WHA34.17 (1981), funds are received for programme support costs from voluntary sources and are calculated by applying a fixed percentage rate to total expenses. The resolution set a standard rate of 13% of project expenditure. The Director-General has made various exceptions to that standard rate, most importantly for emergencies. For 2023, programme support costs income of US\$ 274.6 million was earned on project expenditure, resulting in a computed average programme support cost rate of 8.3% (8.5% in 2022).
- Administrative service agreements with other entities.
- Interest earned on voluntary funds is described in document EB122/3.

A summary of the Fund is provided below.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Balance as at 1 January	692 841	615 393
Revenue		
Programme support costs	274 575	252 286
Finance revenue	245 342	(2 217)
Administrative service agreements with other entities	3 550	5 652
Other revenue	1 320	
Total revenue	524 787	255 721
Expenses		
Staff and other personnel costs	218 456	73 246
Medical supplies and materials	622	512
Contractual services	48 801	26 261
Transfers and grants to counterparts	1 342	37
Travel	7 888	2 691
General operating expenses	30 900	26 525
Equipment, vehicles and furniture	3 368	1 790
Total expenses	311 377	131 062
Less:		
Transfer to Special Purpose Funds ^a	26 415	41 890
Increase/(decrease) in allowance for doubtful accounts receivables – voluntary contributions	5 134	5 321
Balance as at 31 December	874 702	692 841

^a In 2023, transfers were made from the Programme Support Costs Fund to the Information Technology Fund (US\$ 19.1 million), Mobility Fund (US\$ 7.2 million) and Maternity Fund (US\$ 113 000). In 2022, transfers were made from the Programme Support Costs Fund to the Information Technology Fund (US\$ 38.3 million), Mobility Fund (US\$ 3.5 million) and Maternity Fund (US\$ 90 000).

Programme support costs revenue is earned as follows:

Rate	PSC revenue 2023	Proportion of total PSC revenue 2023	PSC revenue 2022	Proportion of total PSC revenue 2022
	US\$ thousands	%	US\$ thousands	%
13%	118 420	43%	106 108	42%
8%	1 962	1%	331	<1%
7%	145 603	53%	132 880	53%
5%	4 651	2%	6 755	3%
3%	2 674	1%	5 009	2%
Other	1 265	<1%	1 203	<1%
Total	274 575	100%	252 286	100%

6.1.b.ii Contingency Fund for Emergencies

This Fund was established by the Sixty-eighth World Health Assembly in decision WHA68(10) (2015). The purpose of the Fund is to provide temporary financing for the emergency field operations with a target capitalization of US\$ 100 million. A summary of the Fund is as follows.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Balance as at 1 January	106 349	63 015
Revenue		
Contributions	34 183	80 358
Total revenue	34 183	80 358
Expenses		
Staff costs	2 687	1 235
Medical supplies and materials	17 190	8 148
Contractual services	24 668	15 906
Transfers and grants	13 742	4 648
Travel	4 254	2 249
General operating expenses	7 954	4 202
Equipment, vehicles and furniture	2 725	636
Total expenses	73 220	37 024
Balance as at 31 December	67 312	106 349

6.2 Member States – other

This Note provides fund balance details for the Member States – other. The fund balance for the Common Fund as at 31 December 2022 has been restated in line with Note 3.

Description	Notes	31 December 2022 (restated)	Income	Expenses ^a	31 December 2023
		US\$ thousands			
Common Fund		404 872	(350)	38 303	442 825
Enterprise Fund					
Accident and Illness Insurance Fund			4 514	(4 285)	229
Other Enterprise Fund		14 540	62 830	(63 676)	13 694
Total Enterprise Fund		14 540	67 344	(67 961)	13 923
Special Purpose Fund					
Infrastructure Fund	6.2.a	192 165	57 800	(89 726)	160 239
Special Fund for Compensation		(2 861)	815	(639)	(2 685)
Staff Health Insurance Fund		(275 080)		93 793	(181 287)
Terminal Payments Fund		(49 024)	13 416	(5 616)	(41 224)
Other Special Purpose Funds ^b		37 045	201 604	(235 675)	2 974
Total Special Purpose Fund		(97 755)	273 635	(237 863)	(61 983)
Total Member States – other		321 657	340 629	(267 521)	394 765

^a Expenses include actuarial gains and losses recognized in net assets. Funds subject to actuarial valuation are listed under Note 4.12.

^b Expenses for Other Special Purpose funds include a transfer of US\$ 20 million to the Infrastructure Fund as per decisions WHA69(18) (2016) and WHA70(16) (2017).

6.2.a Infrastructure Fund

This Fund was established by the Health Assembly in decision WHA70(16) (2017). The summary of the Fund is as follows.

Description	Notes	31 December 2023	31 December 2022
US\$ thousands			
Real Estate Fund	6.2.a.i	133 014	151 245
Information Technology Fund	6.2.a.ii	27 225	40 920
Total Infrastructure Fund		160 239	192 165

6.2.a i. Real Estate Fund

This Fund was established by the Health Assembly in resolution WHA23.14 (1970). The Fund is used to meet the costs of: the construction of buildings or extensions to existing buildings; the acquisition of land that may be required; and major repairs and alterations to WHO's existing office buildings and to residences leased to staff by the Organization. Specific Health Assembly authorization is required for the acquisition of land and the construction of buildings or extensions to existing buildings.

The summary of the Fund is as follows.

Description	31 December 2023	31 December 2022
US\$ thousands		
Balance as at 1 January	146 792	140 966
Revenue		
Appropriation received in accordance with decision WHA70(16) (2017)	10 000	
Transfer for special projects ^a		1 733
Contributions from payroll	11 919	10 913
Finance revenue	6 840	252
Rental income	1 781	1 773
Total revenue	30 540	14 671
Expenses		
Staff and other personnel costs	197	99
Medical supplies and materials	191	12
Contractual services	44 955	5 097
Travel	61	9
General operating expenses ^b	3 117	4 851
Equipment, vehicles and furniture	250	150
Total expenses	48 771	10 218
Balance as at 31 December	133 014	151 245

^a In 2022, US\$ 1.73 million was received against an advance to the Information Technology Fund for US\$ 3.46 million for an information technology project in the new headquarters building.

^b In 2023, loan repayments of US\$ 3.8 million were made in relation to long-term borrowings (US\$ 3.6 million). Further details regarding long-term borrowings are disclosed in Note 4.16.

6.2.a.ii. Information Technology Fund

This Fund was established to meet the Organization's current and future administrative requirements. It may be financed by way of appropriation from the regular budget and from voluntary contributions including the Programme Support Cost Fund. The summary of the Fund is as follows.

Description	31 December 2023	31 December 2022
	US\$ thousands	
Balance as at 1 January	40 920	35 323
Revenue		
Appropriation received in accordance with decision WHA70(16) (2017)	15 000	
Transfer for special projects ^a	19 100	38 300
Total revenue	34 100	38 300
Expenses		
Staff and other personnel costs	13 618	9 129
Contractual services	28 137	17 447
Travel	700	39
General operating expenses	4 506	4 645
Equipment, vehicles and furniture	834	(290)
Transfer to special projects ^b		1 733
Total expenses	47 795	32 703
Balance as at 31 December	27 225	40 920

^a In 2023, US\$ 19.1 million and in 2022 US\$ 38.3 million was transferred from the Programme Support Costs Fund.

^b In 2022, US\$ 1.73 million was paid back to the Real Estate Fund against an advance granted in 2020 for US\$ 3.46 million.

6.3 Fiduciary Fund

This Note provides fund balance details for the Fiduciary Fund.

Description	31 December 2022	Income	Expenses	31 December 2023
	US\$ thousands			
Fiduciary Fund				
Alliance for Health Policy and System Research Fund	11 361	8 363	(5 887)	13 837
European Observatory on health systems and policies	11 465	7 079	(8 322)	10 222
ESPEN Fund	8 420	4 752	(10 452)	2 720
Partnership for Maternal, Newborn and Child Health Fund	6 734	6 515	(10 358)	2 891
Staff Association Fund	610	120	(600)	130
WHO Framework Convention on Tobacco Control	24 236	4 571	(11 636)	17 171
Voluntary Health Fund for Small Island Developing States				
Total Fiduciary Fund	62 826	31 400	(47 255)	46 971

7. Supporting information to the Statement of Comparison of Budget and Actual Amounts

In May 2021, the Health Assembly adopted resolution WHA74.3 on the Programme budget 2022–2023, in which it approved the budget for the financial period 2022–2023, under all sources of funds, namely, assessed and voluntary contributions of US\$ 6121.7 million. In May 2023, the Health Assembly revised the Programme budget 2022–2023 via resolution WHA75.5 to US\$ 6726.1 million. WHO's budget is adopted on a biennial basis by the Health Assembly.

WHO's budget and financial statements are prepared using a different accounting basis. The Statement of Financial Position (Statement I), Statement of Financial Performance (Statement II), Statement of Changes in Net Assets/Equity (Statement III), and Statement of Cash Flow (Statement IV) are prepared on a full accrual basis,

whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is established on a modified cash basis (that is, actual expenses are used to measure the budget utilization).

As per the requirements of IPSAS 24 (Presentation of Budget Information in Financial Statements), the actual amounts presented on a comparable basis to the budget shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to the actual amounts presented in the financial statements, identifying separately any differences in terms of basis, timing, entity and presentation. The General Fund, as per Note 2.17, represents the programme budget results, except for the Tax Equalization Fund expenses, other non-programme budget utilization and all in-kind and in-service expenses that are not included in the programme budget results.

As required by IPSAS 24 (Presentation of Budget Information in Financial Statements), reconciliation is provided on a comparable basis between the actual amounts as presented in Statement V and the actual amounts in the financial accounts identifying separately any basis, timing, entity and presentation differences.

- Basis differences occur when the components of the approved programme budget are used for activities other than the implementation of technical programmes. Examples of this include Tax Equalization Fund expenses, other non-programme budget utilization and special arrangements.
- Timing differences represent the inclusion in WHO's financial accounts of programme budget expenses in other financial periods.
- Entity differences represent the inclusion in WHO's financial accounts of the amounts against two funds: Member States – other and the Fiduciary Fund. These funds do not form part of the Organization's programme budget.
- Presentation differences concern differences in the format and classification schemes in the Statement of Cash Flow (Statement IV) and the Statement of Comparison of Budget and Actual Amounts (Statement V).

A reconciliation between the actual amounts on a comparable basis in Statement V and the actual amounts in Statement IV for December 2023 is presented below.

Description	2023			
	Operating	Investing	Financing	Total
	US\$ thousands			
Actual amount on a comparable basis (Statement V)	(3 376 557)			(3 376 557)
Basis differences	55 800	374 360	(4 070)	426 090
Timing differences	210 344			210 344
Entity differences	207 110	(7 175)		199 935
Presentation differences	2 282 027	152 709		2 434 736
Actual amount in the Statement of Cash Flow (Statement IV)	(621 276)	519 894	(4 070)	(105 452)

8. Segment reporting

8.1 Statement of Financial Position by segments

As at 31 December 2023 (in US\$ thousands)

Description	Headquarters	Regional Office for Africa	Regional Office for the Americas	Regional Office for the Eastern Mediterranean	Regional Office for Europe	Regional Office for South-East Asia	Regional Office for the Western Pacific	Total
ASSETS								
Current assets								
Cash and cash equivalents	263 654	24 091	0	17 016	3 064	13 731	3 083	324 639
Short-term investments	4 492 476	0	0	0	0	0	0	4 492 476
Receivables – current	2 676 945	6 680	(1 268 492)	2 844	1 431	7 536	685	1 427 629
Staff receivables	9 781	5 096	0	1 602	1 176	610	2 271	20 536
Inventories	85 284	30 827	0	37 211	11 450	3 337	2 177	170 286
Prepayments and deposits	917	749	0	318	1 497	3 447	151	7 079
Total current assets	7 529 057	67 443	(1 268 492)	58 991	18 618	28 661	8 367	6 442 645
Non-current assets								
Receivables – non-current	408 845	0	0	0	0	0	0	408 845
Long-term investments	106 942	0	0	0	0	0	0	106 942
Property, plant and equipment	228 645	13 761	0	22 767	3 558	1 303	2 057	272 091
Intangibles	393	0	0	0	0	0	0	393
Total non-current assets	744 825	13 761	0	22 767	3 558	1 303	2 057	788 271
TOTAL ASSETS	8 273 882	81 204	(1 268 492)	81 758	22 176	29 964	10 424	7 230 916
LIABILITIES								
Current liabilities								
Contributions received in advance	91 663	457	0	120	0	24 778	0	117 018
Accounts payable	24 827	23 423	0	21 742	9 008	5 917	4 417	89 334
Staff payable	725	365	0	382	177	146	78	1 873
Accrued staff benefits – current	40 345	14 838	0	7 810	6 917	4 098	4 139	78 147
Deferred revenue – current	494 933	0	0	0	0	0	0	494 933
Financial liabilities	19 302	0	0	0	0	0	0	19 302
Other liabilities – current	(27 754 763)	11 434 025	142 441	8 297 135	2 675 436	3 155 140	2 241 089	190 503
Inter-entity liabilities	858 595	0	0	0	0	0	0	858 595
Long-term borrowings – current	4 069	0	0	0	0	0	0	4 069
Total current liabilities	(26 220 304)	11 473 108	142 441	8 327 189	2 691 538	3 190 079	2 249 723	1 853 774
Non-current liabilities								
Long-term borrowings – non-current	158 828	0	0	0	0	0	0	158 828
Accrued staff benefits – non-current	608 716	(233 671)	0	(73 841)	72 004	(52 458)	(45 669)	275 081
Deferred revenue – non-current	408 845	0	0	0	0	0	0	408 845
Other liabilities – non-current	2 251	0	0	0	0	0	0	2 251
Total non-current liabilities	1 178 640	(233 671)	0	(73 841)	72 004	(52 458)	(45 669)	845 005
TOTAL LIABILITIES	(25 041 664)	11 239 437	142 441	8 253 348	2 763 542	3 137 621	2 204 054	2 698 779
NET ASSETS/EQUITY								
General Fund	32 480 300	(11 155 053)	(1 394 650)	(8 093 876)	(2 540 673)	(3 044 836)	(2 160 811)	4 090 401
Member States – other	657 483	63 161	(14 459)	(72 774)	(146 047)	(61 449)	(31 150)	394 765
Fiduciary funds	177 763	(66 341)	(1 824)	(4 940)	(54 646)	(1 372)	(1 669)	46 971
TOTAL NET ASSETS/EQUITY	33 315 546	(11 158 233)	(1 410 933)	(8 171 590)	(2 741 366)	(3 107 657)	(2 193 630)	4 532 137
TOTAL LIABILITIES AND NET ASSETS/EQUITY	8 273 882	81 204	(1 268 492)	81 758	22 176	29 964	10 424	7 230 916

8.2 Statement of Financial Performance by segments

For the year ended 31 December 2023 (in US\$ thousands)

Description	Headquarters	Regional Office for Africa	Regional Office for the Americas	Regional Office for the Eastern Mediterranean	Regional Office for Europe	Regional Office for South-East Asia	Regional Office for the Western Pacific	Total
Revenue								
Assessed contributions	494 067							494 067
Voluntary contributions	2 745 755							2 745 755
Voluntary contributions in-kind and in-service	55 137							55 137
Other revenue	45 659	2 745		185	(1 274)	(684)	(153)	46 478
Total revenue	3 340 618	2 745		185	(1 274)	(684)	(153)	3 341 437
Expenses								
Staff costs	592 530	220 529	64 387	134 496	119 488	56 034	54 869	1 242 333
Medical supplies and materials	41 840	57 293	2 193	146 940	38 275	35 282	7 888	329 711
Contractual services	374 014	498 166	40 427	416 743	100 610	102 502	52 547	1 585 009
Transfers and grants	18 427	140 358	11 219	152 454	87 018	29 629	25 352	464 457
Travel	78 592	70 380	12 309	25 099	20 237	10 389	13 814	230 820
General operating expenses	78 209	49 192	1 738	44 193	28 278	20 262	6 832	228 704
Equipment, vehicles and furniture	(1 257)	7 768	660	5 175	823	1 260	1 266	15 695
Depreciation and amortization	5 572	3 939		2 722	640	867	312	14 052
Total expenses	1 187 927	1 047 625	132 933	927 822	395 369	256 225	162 880	4 110 781
Finance revenue	250 755	(4 529)	1	(535)	(499)	2 203	15	247 411
TOTAL (DEFICIT)/SURPLUS FOR THE YEAR^a	2 403 4464	(1 049 409)	(132 932)	(928 172)	(397 142)	(254 706)	(163 018)	(521 933)

^a The revenue balance shows a high surplus for headquarters and deficits for other offices. This is a consequence of the policy of centralized accounting for revenue and decentralized accounting for expenses.

9. Amounts written-off and ex-gratia payments

During 2023, a total of US\$ 20 427 705 was approved for write-off (US\$ 51 913 in 2022). This amount is comprised of: US\$ 20 029 320 relating to expired inventory; US\$ 306 146 relating to fixed assets; US\$ 33 857 relating to irrecoverable supplier prepayments; US\$ 30 927 relating to direct financial cooperation; US\$ 19 917 relating to cash losses during the conflict in Sudan; US\$ 7 197 relating to salary overpayment due to staff resignation where the balance was deemed impossible to recover; and US\$ 342 relating to supplier overpayment.

In 2023, ex-gratia payments amounting to US\$ 383 918 were approved (US\$ 112 998 in 2022), mainly relating to responses to natural disasters such as the earthquakes in the Syrian Arab Republic and Türkiye.

10. Related party and other senior management disclosures

Staff members considered to be key management personnel include the Director-General, the Regional Directors and all other ungraded staff. The table below details the number of key management personnel and their aggregate remuneration.

Description	2023	2022
Number of individuals	20	25
Number of positions	20	25
	US\$ (thousands)	
Compensation and post adjustment	4 639	6 143
Entitlements	482	302
Pension and health plans	1 439	1 794
Total remuneration	6 560	8 239
Outstanding advances against entitlements	162	155
Outstanding loans (in addition to normal entitlements, if any)	6 722	8 394

The aggregate remuneration of key management personnel includes net salaries, post adjustment, entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal effect shipment costs, and employer pension and current health insurance contributions.

Key management personnel are also qualified for post-employment benefits at the same level as other employees. These benefits cannot be reliably quantified. Key management personnel are ordinary members of the United Nations Joint Staff Pension Fund.

The Regional Director for the Americas is included among the key management personnel. However, as the Regional Director is receiving all entitlements and benefits from PAHO, the entitlements and benefits concerned are disclosed in PAHO's financial statements and not in WHO's financial statements.

During the year, no loans were granted to key management personnel beyond those widely available to staff outside this grouping.

Foundation in support of the World Health Organization (WHO Foundation – WHO-F)

WHO-F is a non-profit charitable foundation incorporated under the laws of Switzerland, which entered into an agreement with WHO in 2020 to strengthen WHO's General Programme of Work, priorities or otherwise supporting WHO's mandate. The affiliation agreement signed in 2020 states the nature of the relationship, the terms of the partnership, the independent status of the parties and the conditions for use of the name "WHO"; the agreement also sets out the role, composition and functions of the joint planning and coordination

committee, which serves as the principal forum for strong communication and coordination on strategies to support the policies, aims, activities and causes of WHO. A summary of the relationship agreement can be found via the following link: https://who.foundation/wp-content/uploads/2020/11/MOU-WHO-WHOF-signed_FINAL.pdf.

As at 31 December 2023, WHO-F had transferred US\$ 6.6 million for WHO programmes (US\$ 9.2 million in 2022).

11. Events after the reporting date

WHO's reporting date is 31 December 2023. The financial statements were authorized for issue on 15 March 2024, the date at which they were submitted to the External Auditor by the Director-General. On the date of the signing of these accounts, no material events, favourable or unfavourable, had arisen between the balance sheet date and the date when the financial statements were authorized for issue that would have had an impact on the financial statements.

12. Contingent liabilities, commitments and contingent assets

Contingent liabilities

As at 31 December 2023, WHO had a number of legal cases pending. Most involve disputes that are not recorded because the likelihood of repayment has been determined to be remote. However, there are two cases involving contractual disputes that are to be considered a contingent liability. The total potential cost to the Organization is estimated at US\$ 1 263 826 (US\$ 202 355 as at 31 December 2022).

Operating lease commitments

WHO enters into operating lease arrangements for renting accommodation, office and warehouse space in various country offices (Note 4.7). In 2023, WHO incurred US\$ 16.2 million in rental expenses for office space. Future minimum lease rental payments for premises above the threshold of US\$ 50 000 per annum for the following periods are as follows.

Description	Total	
	Year 2023	Year 2022
	US\$ thousands	
Under one year	14 769	15 800
One to five years	18 830	16 314
Five years +	11 806	1 743
Total operating lease commitments	45 405	33 857

The Organization has no outstanding leases qualifying as finance leases at the reporting date.

As at 31 December 2023, total revenue from the leasing office space was US\$ 0.3 million (US\$ 0.45 million as at 31 December 2022). There is no minimum payment commitment for 2024 and beyond.

Commitments

During the course of its activities, WHO enters into contractual commitments with various suppliers. The following table presents the open purchase orders for which WHO had not received the related goods or services as at 31 December 2023.

Description	Total	
	Year 2023	Year 2022
	US\$ thousands	
Property, plant and equipment	23 143	13 090
Goods	73 185	152 207
Services	294 241	572 450
Total commitments	390 569	737 747

Contingent assets

In accordance with IPSAS 19 (Provisions, Contingent Liabilities and Contingent Assets), contingent assets will be disclosed for cases where an event will give rise to a probable inflow of economic benefits. As at 31 December 2023, there are no material contingent assets to disclose

Schedule I. Statement of Financial Performance by major funds^a

For the year ended 31 December 2023

(in US\$ thousands)

Description	General Fund				Member States – other			Fiduciary Fund	Subtotal	Eliminations ^b	Total	Percentage
	Regular budget	Voluntary funds	Eliminations	Subtotal	Common Fund	Enterprise Fund	Special Purpose Fund					
Revenue												
Assessed contributions	494 067			494 067							494 067	15%
Voluntary contributions		2 714 778		2 714 778				31 355	31 355	(378)	2 745 755	82%
Voluntary contributions in-kind and in-service						55 137			55 137		55 137	3%
Other revenue	569	309 072	(270 390)	39 251	(350)	12 207	273 635	45	285 537	(278 310)	46 478	1%
Total operating revenue	494 636	3 023 850	(270 390)	3 248 096	(350)	67 344	273 635	31 400	372 029	(278 688)	3 341 437	101%
Expenses												
Staff costs	329 403	996 425		1 325 828		20 793	71 477	20 715	112 985	(196 480)	1 242 333	30.22%
Medical supplies and materials	6 584	309 510		316 094	(12 849)	25 945	16 429	815	30 340	(16 723)	329 711	8.02%
Contractual services	70 872	1 448 614		1 519 486	(41 873)	1 575	103 004	15 597	78 303	(12 780)	1 585 009	38.56%
Transfers and grants	11 815	451 462		463 277			1 505	3 027	4 532	(3 352)	464 457	11.30%
Travel	23 371	202 882		226 253		20	1 253	3 351	4 624	(57)	230 820	5.61%
General operating expenses	25 987	425 490	(270 390)	181 087	20 030	19 940	53 242	3 649	96 861	(49 244)	228 704	5.56%
Equipment, vehicles and furniture	4 060	27 492		31 552	(13 857)	(113)	(1 936)	101	(15 805)	(52)	15 695	0.38%
Depreciation and amortization					14 052				14 052		14 052	0.34%
Total expenses	472 092	3 861 875	(270 390)	4 063 577	(34 497)	68 160	244 974	47 255	325 892	(278 688)	4 110 781	100%
Finance revenue	5 687	269 738		275 425	3 806	199	(32 019)		(28 014)		247 411	
TOTAL SURPLUS/(DEFICIT) FOR THE YEAR	28 231	(568 287)		(540 056)	37 953	(617)	(3 358)	(15 855)	18 123		(521 933)	
Fund balance – 1 January 2023	29 001	4 601 456		4 630 457	404 872	14 540	(97 755)	62 826	384 483		5 014 940	
Direct adjustments to net assets/equity							39 130		39 130		39 130	
Fund balance – 31 December 2023	57 232	4 033 169		4 090 401	442 825	13 923	(61 983)	46 971	441 736		4 532 137	

^a Refer to Note 2.17 for details on the composition of major funds.

^b Eliminations as reported in the Statement of Financial Performance by major fund (Schedule I) are accounting adjustments made to remove the effect of inter-fund transfers that would otherwise overstate revenue and expenses of the Organization. These accounting adjustments are done through a separate elimination fund established for this purpose.

Schedule II. Expenses by major office – General Fund only

For the year ended 31 December 2023

(in US\$ thousands)

Description	Headquarters	Regional Office for Africa	Regional Office for the Americas	Regional Office for the Eastern Mediterranean	Regional Office for Europe	Regional Office for South-East Asia	Regional Office for the Western Pacific	Total
Expenses								
Staff costs	603 294	266 277	64 385	150 170	112 123	67 862	61 717	1 325 828
Medical supplies and materials	16 352	65 915	2 192	151 304	50 484	23 253	6 594	316 094
Contractual services	317 559	491 014	40 285	416 255	98 149	104 092	52 132	1 519 486
Transfers and grants	20 608	138 230	11 219	151 282	87 081	29 583	25 274	463 277
Travel	75 824	69 271	12 290	25 032	19 720	10 290	13 826	226 253
General operating expenses	47 855	41 725	1 738	43 470	20 904	18 031	7 364	181 087
Equipment, vehicles and furniture	2 409	13 163	660	9 391	3 260	1 555	1 114	31 552
Total expenses	1 083 901	1 085 595	132 769	946 904	391 721	254 666	168 021	4 063 577
Percentage of expenses by expense type across major office								
Staff and other personnel costs	46%	20%	5%	11%	8%	5%	5%	100%
Medical supplies and materials	5%	21%	1%	48%	16%	7%	2%	100%
Contractual services	21%	32%	3%	27%	6%	7%	3%	100%
Transfers and grants to counterparts	4%	30%	2%	33%	19%	6%	5%	100%
Travel	34%	31%	5%	11%	9%	5%	6%	100%
General operating expenses	26%	23%	1%	24%	12%	10%	4%	100%
Equipment, vehicles and furniture	8%	42%	2%	30%	10%	5%	4%	100%
Total percentage	27%	27%	3%	23%	10%	6%	4%	100%
Percentage of expenses by expense type within each major office								
Staff and other personnel costs	56%	25%	49%	16%	29%	26%	37%	33%
Medical supplies and materials	2%	6%	2%	16%	13%	9%	4%	8%
Contractual services	29%	45%	30%	44%	25%	41%	31%	37%
Transfers and grants to counterparts	2%	13%	8%	16%	22%	12%	15%	11%
Travel	7%	6%	9%	3%	5%	4%	8%	6%
General operating expenses	4%	4%	1%	4%	5%	7%	4%	4%
Equipment, vehicles and furniture	0%	1%	1%	1%	1%	1%	1%	1%
Total percentage	100%	100%	100%	100%	100%	100%	100%	100%

Schedule III. Financial overview – all funds, 2022–2023, 2020–2021 and 2018–2019*For the year ended 31 December 2023**(in US\$ millions)*

Description	Total 2022 ^a –2023 (restated)	Total 2020–2021	Total 2018–2019
Assessed contributions	990	1 015	991
Voluntary contributions – programme budget	6 333	6 988	4 690
Total contributions – programme budget	7 323	8 003	5 681
Other revenue – programme budget	69	122	63
Non-programme budget revenue	101	67	121
Voluntary contributions in-kind and in-service	201	173	152
Total revenue (all sources)	7 694	8 365	6 017
Expenses – programme budget	7 390	6 629	5 314
Expenses – non-programme budget and other	374	477	123
Expenses – in-kind and in-service	196	173	151
Total expenses (all sources)	7 960	7 279	5 588
Finance revenue	342	89	102
Total surplus/(deficit)	76	1 175	531

^a Expenses for 2022 have been restated in line with Note 3.

Annex I. Revenue and expenses with programme countries*For the year ended 31 December 2023**(in US\$ thousands)*

Programme country	Revenue				Expenses			Net balance of revenue/ (expenses)
	Assessed contributions	Voluntary contributions	Other	Total	Programme budget	Non-programme budget	Total	
Afghanistan	29			29	177 105	226	177 331	(177 302)
Albania	38			38	1 506		1 506	(1 468)
Algeria	540			540	3 364		3 364	(2 824)
Angola	48	874		922	16 516	176	16 692	(15 770)
Antigua and Barbuda	10			10	397		397	(387)
Argentina	3 563			3 563	2 354		2 354	1 209
Armenia	33			33	3 577	20	3 597	(3 564)
Azerbaijan	144			144	6 935		6 935	(6 791)
Bahamas	91			91	864		864	(773)
Bahrain	268			268	969		969	(701)
Bangladesh	48	30		78	30 021	870	30 891	(30 813)
Barbados	38			38	444		444	(406)
Belarus	196			196	3 444		3 444	(3 248)
Belize	5			5	583		583	(578)
Benin	24	361		385	6 166		6 166	(5 781)
Bhutan	5			5	5 433	80	5 513	(5 508)
Bolivia (Plurinational State of)	91			91	2 017		2 017	(1 926)
Bosnia and Herzegovina	57			57	2 104		2 104	(2 047)
Botswana	72	381		453	5 807	40	5 847	(5 394)
Brazil	9 976	616		10 592	6 358		6 358	4 234
Brunei Darussalam	100			100	17		17	83
Burkina Faso	19	8 379		8 398	20 306	354	20 660	(12 262)
Burundi	5			5	10 621	169	10 790	(10 785)
Cabo Verde	5			5	2 550		2 550	(2 545)
Cambodia	33			33	12 093		12 093	(12 060)
Cameroon	62	24		86	28 133	185	28 318	(28 232)
Central African Republic	5			5	14 337		14 337	(14 332)
Chad	14	3 361		3 375	28 597	18	28 615	(25 240)
Chile	2 081			2 081	1 396		1 396	685
China	75 597	3 970		79 567	6 356		6 356	73 211
Colombia	1 219			1 219	4 660		4 660	(3 441)
Comoros	5			5	2 417	33	2 450	(2 445)
Congo	24			24	7 211	164	7 375	(7 351)
Cook Islands	5			5	263		263	(258)
Costa Rica	342			342	1 432		1 432	(1 090)
Côte d'Ivoire	105	38		143	16 588		16 588	(16 445)
Cuba	471			471	1 897		1 897	(1 426)
Democratic People's Republic of Korea	24			24	3 759	440	4 199	(4 175)
Democratic Republic of the Congo	48	7 314		7 362	104 960	734	105 694	(98 332)

Programme country	Revenue				Expenses			Net balance of revenue/ (expenses)
	Assessed contributions	Voluntary contributions	Other	Total	Programme budget	Non-programme budget	Total	
Djibouti	5			5	3 967	11	3 978	(3 973)
Dominica	5			5	346		346	(341)
Dominican Republic	332			332	1 739		1 739	(1 407)
Ecuador	382			382	1 925		1 925	(1 543)
Egypt	689	487		1 176	17 456		17 456	(16 280)
El Salvador	62			62	1 541		1 541	(1 479)
Equatorial Guinea	57			57	10 252	259	10 511	(10 454)
Eritrea	5			5	3 833	311	4 144	(4 139)
Eswatini	10			10	3 401	86	3 487	(3 477)
Ethiopia	48			48	72 240	72	72 312	(72 264)
Fiji	19			19	612	77	689	(670)
Gabon	62			62	5 544	21	5 565	(5 503)
Gambia	5			5	3 561	8	3 569	(3 564)
Georgia	38			38	5 386		5 386	(5 348)
Ghana	115			115	13 183	59	13 242	(13 127)
Grenada	5			5	224		224	(219)
Guatemala	196			196	2 193		2 193	(1 997)
Guinea	14			14	13 829	65	13 894	(13 880)
Guinea-Bissau	5	2 803		2 808	8 025		8 025	(5 217)
Guyana	19			19	1 358		1 358	(1 339)
Haiti	29			29	9 288		9 288	(9 259)
Honduras	43			43	3 682		3 682	(3 639)
India	5 174	33 254	2 000	40 428	73 084	8 821	81 905	(41 477)
Indonesia	2 721	1 313		4 034	19 905	263	20 168	(16 134)
Iran (Islamic Republic of)	1 839			1 839	31 848	57	31 905	(30 066)
Iraq	634			634	23 335		23 335	(22 701)
Jamaica	38			38	1 666		1 666	(1 628)
Jordan	105			105	15 734		15 734	(15 629)
Kazakhstan	659	2 430		3 089	3 304		3 304	(215)
Kenya	144	1 171		1 315	22 401	843	23 244	(21 929)
Kiribati	5			5	971		971	(966)
Kuwait	1 160	16 750		17 910	962		962	16 948
Kyrgyzstan	10			10	6 208		6 208	(6 198)
Lao People's Democratic Republic	33	118		151	13 191	66	13 257	(13 106)
Lebanon	172			172	43 949		43 949	(43 777)
Lesotho	5			5	3 269		3 269	(3 264)
Liberia	5	923		928	10 139	128	10 267	(9 339)
Libya	86			86	17 033		17 033	(16 947)
Madagascar	19			19	25 335	254	25 589	(25 570)
Malawi	10	10 035		10 045	24 038	54	24 092	(14 047)
Malaysia	1 725	25		1 750	2 941		2 941	(1 191)
Maldives	19			19	3 560		3 560	(3 541)
Mali	24	228		252	14 885		14 885	(14 633)
Marshall Islands	5			5	3		3	2
Mauritania	10			10	6 394	9	6 403	(6 393)

Programme country	Revenue				Expenses			Net balance of revenue/ (expenses)
	Assessed contributions	Voluntary contributions	Other	Total	Programme budget	Non-programme budget	Total	
Mauritius	91	250		341	2 747		2 747	(2 406)
Mexico	6 051	10		6 061	2 103	49	2 152	3 909
Micronesia (Federated States of)	5			5	684		684	(679)
Mongolia	19			19	5 410	58	5 468	(5 449)
Montenegro	19			19	899	135	1 034	(1 015)
Morocco	273			273	4 452		4 452	(4 179)
Mozambique	19	60		79	34 846	104	34 950	(34 871)
Myanmar	48			48	22 732	73	22 805	(22 757)
Namibia	43			43	4 753	137	4 890	(4 847)
Nauru	5			5	90		90	(85)
Nepal	48			48	17 206	1 823	19 029	(18 981)
Nicaragua	24			24	2 255		2 255	(2 231)
Niger	14			14	17 304	35	17 339	(17 325)
Nigeria	902	5 912		6 814	133 335	551	133 886	(127 072)
Niue	5			5	63		63	(58)
North Macedonia	33			33	1 768		1 768	(1 735)
Pakistan	565			565	164 878		164 878	(164 313)
Palau	5			5	70		70	(65)
Palestine (State of)					31 251		31 251	(31 251)
Panama	446		1 728	2 174	1 048	69	1 117	1 057
Papua New Guinea	48			48	16 051		16 051	(16 003)
Paraguay	124			124	1 907		1 907	(1 783)
Peru	808			808	2 031		2 031	(1 223)
Philippines	1 051	140		1 191	14 049		14 049	(12 858)
Republic of Moldova	24			24	15 328		15 328	(15 304)
Rwanda	14			14	8 123		8 123	(8 109)
Saint Kitts and Nevis	10			10	190		190	(180)
Saint Lucia	10			10	331		331	(321)
Saint Vincent and the Grenadines	5			5	436		436	(431)
Samoa	5			5	1 860		1 860	(1 855)
Sao Tome and Principe	5	53		58	3 457	1	3 458	(3 400)
Saudi Arabia	5 868	5 787		11 655	1 811		1 811	9 844
Senegal	33	203		236	7 762		7 762	(7 526)
Serbia	153			153	3 156	27	3 183	(3 030)
Seychelles	10			10	1 677		1 677	(1 667)
Sierra Leone	5	601		606	9 595		9 595	(8 989)
Singapore	2 498	100		2 598				2 598
Solomon Islands	5	143		148	4 572		4 572	(4 424)
Somalia	5	8 568		8 573	80 180	126	80 306	(71 733)
South Africa	1 209			1 209	8 082	40	8 122	(6 913)
South Sudan	10			10	45 004	751	45 755	(45 745)
Sri Lanka	223	134		357	9 274	56	9 330	(8 973)
Sudan	48			48	53 909		53 909	(53 861)
Suriname	14			14	874	53	927	(913)
Syrian Arab Republic	43			43	61 204		61 204	(61 161)

Programme country	Revenue				Expenses			Net balance of revenue/ (expenses)
	Assessed contributions	Voluntary contributions	Other	Total	Programme budget	Non-programme budget	Total	
Tajikistan	14			14	9 841		9 841	(9 827)
Thailand	1 824	407		2 231	5 573	19	5 592	(3 361)
Timor-Leste	5	666		671	11 022	49	11 071	(10 400)
Togo	10			10	6 946		6 946	(6 936)
Tokelau	5			5	29		29	(24)
Tonga	5			5	652		652	(647)
Trinidad and Tobago	177			177	1 038		1 038	(861)
Tunisia	91			91	4 532	77	4 609	(4 518)
Türkiye	4 188	2 566		6 754	46 916		46 916	(40 162)
Turkmenistan	163			163	2 510		2 510	(2 347)
Tuvalu	5			5	70		70	(65)
Uganda	48	1 182		1 230	26 858	6	26 864	(25 634)
Ukraine	278	741		1 019	107 890	432	108 322	(107 303)
United Arab Emirates	3 147	19 754		22 901	112		112	22 789
United Republic of Tanzania	48			48	22 429	198	22 627	(22 579)
Uruguay	456			456	671		671	(215)
Uzbekistan	129			129	6 768	258	7 026	(6 897)
Vanuatu	5			5	2 134		2 134	(2 129)
Venezuela (Bolivarian Republic of)	867			867	4 397		4 397	(3 530)
Viet Nam	461	78		539	10 593		10 593	(10 054)
Yemen	38			38	113 049	69	113 118	(113 080)
Zambia	38			38	20 076	684	20 760	(20 722)
Zimbabwe	33	401		434	16 261	71	16 332	(15 898)
Total	145 065	142 641	3 728	291 434	2 310 421	20 924	2 331 345	(2 039 911)

Annex II. Revenue and expenses with United Nations entities¹

For the year ended 31 December 2023

(in US\$ thousands)

United Nations entity	Revenue			United Nations entity	Expenses			Net revenue/expenses
	Programme budget	Non-programme budget	Total		Programme budget	Non-programme budget	Total	
United Nations Central Emergency Response Fund (CERF)	73 564		73 564	United Nations Children's Fund (UNICEF)	69 556	66	69 622	
United Nations Multi-Partner Trust Fund Office (MPTF)	33 179		33 179	United Nations Office for Project Services (UNOPS)	38 002	844	38 846	
United Nations Children's Fund (UNICEF)	11 316		11 316	United Nations Secretariat	14 239	22 229	36 468	
United Nations Office for Project Services (UNOPS)	11 289		11 289	United Nations Development Programme (UNDP)	14 704	515	15 219	
United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)	10 346		10 346	World Food Programme (WFP)	13 958	285	14 243	
United Nations Development Programme (UNDP)	7 742		7 742	United Nations International Computing Centre (UNICC)	3 257	483	3 740	
Joint United Nations Programme on HIV/AIDS (UNAIDS)	5 112		5 112	United Nations Population Fund (UNFPA)	1 518		1 518	
United Nations Population Fund (UNFPA)	3 135		3 135	Food and Agriculture Organization of the United Nations (FAO)	1 507		1 507	
United Nations Environment Programme (UNEP)	2 692		2 692	International Organization for Migration (IOM)	1 151	32	1 183	
World Food Programme (WFP)	1 642		1 642	Other	759	(3)	756	
International Organization for Migration (IOM)	1 256		1 256					
United Nations Fund for International Partnerships (UNFIP)	1 064		1 064					
Other	1 957		1 957					
Total	164 294		164 294	Total	158 651	24 451	183 102	(18 808)

¹ Revenue represents voluntary contributions, and expenses include grants and fees paid to United Nations entities.

World Health Organization

20 Avenue Appia
1211 Geneva 27
Switzerland

www.who.int