

Audited Financial Statements

for the year ended 31 December 2020



**World Health
Organization**

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Director-General's report

INTRODUCTION

1. In accordance with Article 34 of the Constitution and Financial Regulation XIII of the World Health Organization and the International Public Sector Accounting Standards (IPSAS), I have the honour to present the financial statements for the year ended 31 December 2020, which form part of the statutory components of the Financial Report. The financial statements that have been prepared in compliance with IPSAS are as follows:

- **Statement I. Statement of Financial Position**
- **Statement II. Statement of Financial Performance**
- **Statement III. Statement of Changes in Net Assets/Equity**
- **Statement IV. Statement of Cash Flow**
- **Statement V. Statement of Comparison of Budget and Actual Amounts**

2. The statutory components of the Financial Report have been audited by the Organization's External Auditor, the Comptroller and Auditor General of India, whose opinion is included with the Financial Report.

3. The Organization provides services to five other entities: the Trust Fund for the Joint United Nations Programme on HIV/AIDS (UNAIDS), Unitaids, the International Agency for Research on Cancer (IARC), the International Computing Centre (ICC) and the Staff Health Insurance (SHI). Separate financial statements are prepared for each entity, which are subject to separate external audits. The funds managed by WHO on behalf of these entities¹ are included in the Statement of Financial Position (Statement I).

4. The Thirteenth General Programme of Work, 2019–2023, marked a new strategic direction for WHO. It is data-driven, results-oriented and country-focused, firmly grounded in the Sustainable Development Goals and triple billion targets for the Organization. The WHO Results Report (document A74/28) complements this Financial Report; both are integral parts of the transparent presentation of the Organization's work in 2020.

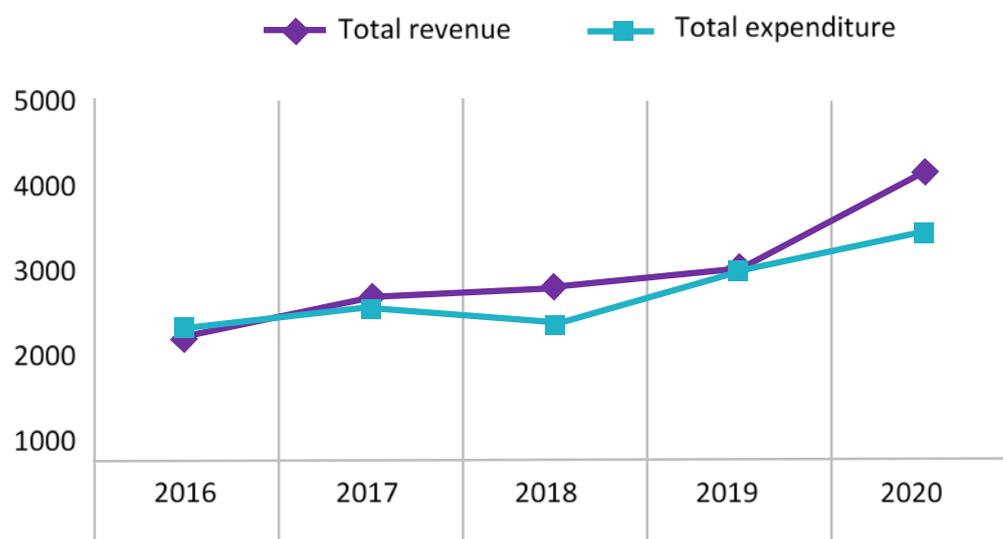
5. The outbreak of the coronavirus disease (COVID-19) pandemic early in 2020 posed unprecedented health and economic challenges worldwide and placed new and urgent demands on the Organization. Nonetheless, the Organization was able to respond and maintain its focus on the effective implementation of programmatic activities. With the help of partners and stakeholders, the Organization delivered robust support to help Member States combat the pandemic, including by putting protocols in place, procuring and delivering medical supplies and equipment, supporting the development of therapeutics and vaccines, and providing sound, evidence-based advice and public health messages.

6. The COVID-19 pandemic manifested itself in the activities of the Organization during 2020 and in the year-end statements of financial performance and financial position. There are examples of financial impacts throughout this report, including an increase in revenues of close to US\$ 1.6 billion and a near doubling of expenses for medical supplies and equipment as shown in Statement II.

7. For the year 2020, WHO reported the highest levels of revenue and expenditure in the history of the Organization. Fig. 1 summarizes the total revenue and expenditure over the past five years.

¹ Excluding IARC, whose funds are not managed by WHO.

Fig. 1. Revenue and expenditure 2016–2020 (US\$ millions)



8. Much of this growth has been due to the Organization's increased role in emergency response operations. Total expenditure for polio, outbreak and crisis response, and special programmes was US\$ 1691 million in 2020, up 24% compared to 2019. More than half of that amount, US\$ 912 million, relates to the COVID-19 response (its distribution by major office is shown in Table 2 below). During 2020, WHO responded to 53 graded emergencies, including two public health emergencies of international concern: the global COVID-19 pandemic and the poliovirus (ongoing since 2014).

FINANCIAL HIGHLIGHTS

9. WHO's total revenue in 2020 was US\$ 4299 million and total expenses were US\$ 3561 million, resulting in a surplus of US\$ 824 million, which includes finance revenue (e.g. interest and investment income) of US\$ 86 million, representing increases of 38% and 15% in revenue and expenses respectively.

10. The financial statements report all the Organization's revenue and expenses. The Organization's operations are managed under three fund groups: (1) the General Fund, which supports the programme budget, (2) Member States – other, and (3) the Fiduciary Fund (Note 2.18 gives particulars of each of the funds). This segregation of resources facilitates clearer reporting of WHO's revenues and expenses, for example in Schedule I of this report and in the following table.

Table 1. Financial highlights, all funds, years 2020 and 2019 and the biennium 2018–2019 (US\$ millions)

Description	Total 2020	Total 2019	Total 2018–2019
General Fund			
Assessed contributions	466	490	991
Voluntary contributions – programme budget	3 655	2 447	4 690
Total contributions – programme budget (GF)	4 121	2 937	5 681
Member States – other and Fiduciary Funds			
Other revenue – programme budget	39	32	184
Non-programme budget revenue	139	147	152
Total revenue (all sources)	4 299	3 116	6 017
Expenses – programme budget	3 063	3 022	5 314
Expenses – non-programme budget and other	498	66	123
Total expenses (all sources)	3 561	3 088	5 588
Finance revenue	86	61	102
Total surplus/(deficit)	824	89	531

11. The WHO financial statements for 2020 are compared with the approved budget for 2020–2021 of US\$ 5840.4 million in Statement V.¹ Although the Organization has adopted an annual financial reporting period as stipulated in Financial Regulation XIII,² the budgetary period remains a biennium (Financial Regulation II). Therefore, for the purposes of making comparisons between the actual expenses and the approved budget, the biennium's budget is set against two years of annual expenses.

FINANCIAL PERFORMANCE

REVENUE

12. Total revenue for 2020 was US\$ 4299 million, an increase of 38% compared with 2019 (US\$ 3116 million). The WHO's two main sources of revenue are assessed contributions and voluntary contributions. Revenue is recorded when amounts become due – on the first day of each calendar year for assessed contributions and the due dates of voluntary contributions specified in donor agreements. Revenue provides an important measure of the agreements signed and funding currently available. When amounts are due in future periods, according to the payment terms included in donor agreements, revenue is deferred and becomes available in future financial periods. Full details of all voluntary contribution revenue and deferred revenue, by contributor and fund, are contained in the Annex to the Financial Report.³

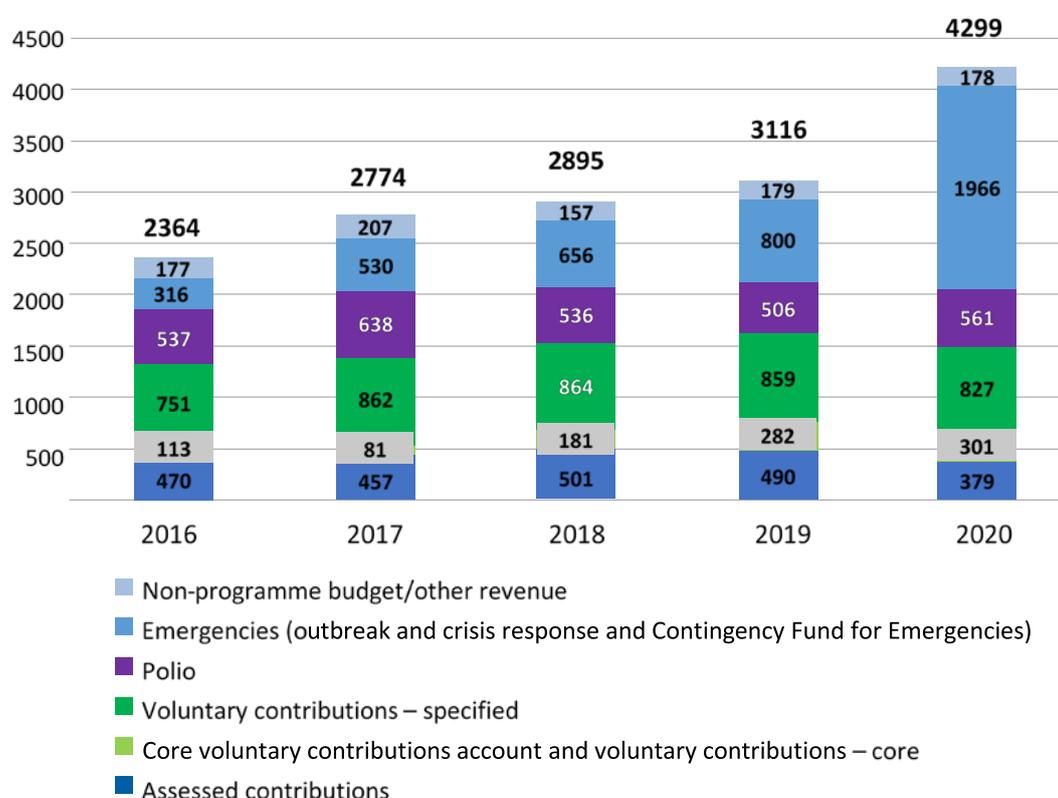
13. Revenue trends shows that that voluntary contributions have increased as a proportion of WHO's overall revenue from 80% five years ago (2016) to 89% last year, and assessed contributions show a corresponding decline in the same period from 20% to 11%. This trend accelerated in 2020 due to the influx of voluntary contributions received in response to the COVID-19 pandemic. Fig. 2 summarizes revenues and their component parts, 2016–2020.

¹ See resolution WHA72.1 (2019).

² See resolution WHA62.6 (2009).

³ Document A74/INF./4, the Annex to the Financial Report, is also available at: <http://www.who.int/about/finances-accountability/funding/voluntary-contributions/en/> (accessed 30 March 2021).

Fig. 2. Revenue trends, 2016–2020 (US\$ millions)

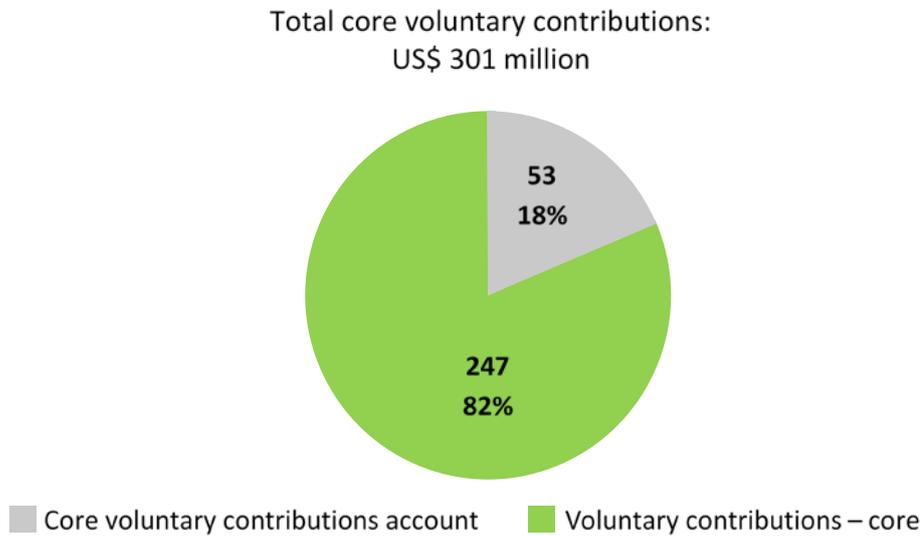


14. Of the total revenue for 2020 of US\$ 4299 million, assessed contributions and voluntary contributions to the programme budget account for US\$ 4120 million or 96% of total revenue (note that polio and emergencies are also mostly funded by voluntary contributions). Revenue for emergencies increased to US\$ 1966 million largely in response to the appeal launched under the COVID-19 Strategic Preparedness and Response Plan. This represents an increase of US\$ 1167 million, or 146%, while specified voluntary contributions remained stable in US\$ terms but decreased by 5% in overall proportion from 2019.

15. The core voluntary contributions include both fully or semi-flexible contributions to the programme budget through the core voluntary contributions account, and voluntary contributions – core (also referred to as thematic funds). The latter are earmarked at a global programme budget outputs level or higher, within which there is considerable flexibility for deployment according to need. Combined, the two sources of core voluntary contributions have increased from US\$ 113 million in 2016 to US\$ 301 million in 2020, giving the Organization more discretion over where best to direct the funds to fill gaps and enhance implementation of the programme budget.

16. A handful of donors have consistently supported the core voluntary contributions account, though its level of revenue decreased in 2020 to US\$ 53 million from US\$ 92 million in 2019. Key contributors in 2020 were Australia, Belgium, Denmark, Finland, France, the Netherlands, Sweden and Switzerland. At the same time, thematic funding increased by US\$ 57 million, or 30%, between 2019 and 2020. The key contributors to thematic areas were the European Commission, the German BMG Strategic Grant and Norway. The overall core voluntary contributions by component are summarized in Fig 3.

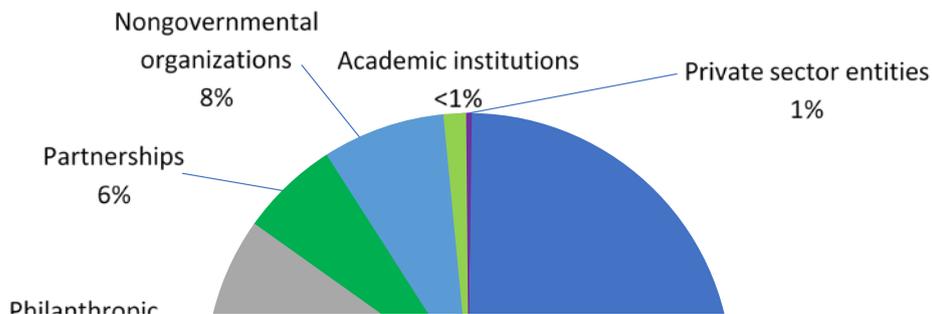
Fig. 3. Core voluntary contributors in 2020, by component (US\$ millions)



17. Member States continue to be the largest source of voluntary contributions, accounting for 55% of the total non-assessed (voluntary) contributions compared to 48% in 2019. In absolute terms, voluntary contributions from all categories of donors increased except for Partnerships where contributions slightly declined.

18. Fig. 4 illustrates the relative proportions of the various sources of voluntary contributions for 2020.

Fig. 4. Revenue from voluntary contributions for 2020, by source



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