

PART I

INTRODUCTORY COMMENTS

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1. The Interim Financial Report of the Pan American Health Organization for 2000 is submitted by the Director in accordance with provisions of Article XI of the Financial Regulations which provides for an interim financial report to be established at the end of the first year of the two-year financial period. A final financial report covering the full biennium will be prepared at the end of the second year of the financial period.

2. The Interim Financial Report contains a descriptive review of the financial position of the Organization and tabular material which reflects certain key financial aspects of the Organization at the end of the first year of the biennium, i.e., at 31 December 2000. The Report also contains separate financial statements for CAREC, CFNI, and INCAP.

3. The Interim Financial Report is not accompanied by an audit opinion. However, the books of accounts are subject to continuous examination and review by both internal and external auditors and, pursuant to the Financial Regulations, the External Auditor is at liberty to report to the Directing Council on any aspect of the accounts should he feel the need to do so. There is no such report for 2000.

Review of the Interim Financial Position

4. Summary of Expenditure by Source of Funds

A summary of expenditure by source of funds for the interim financial periods 1991 to 2000 appears in Table A at the end of the Introductory Comments.

5. PAHO Regular Budget - Income

2000	51%
1999	63%
1998	63%
1997	46%
1996	67%

The contributions due at 31 December 2000 are indicated in the following table:

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Argentina	3,507,032	3,841,869	3,841,869	3,992,676
Brazil	-	-	996,039	6,966,812
Colombia	-	-	-	440,500
Costa Rica	-	-	-	71,586
Cuba	301,213	572,896	572,896	595,385
Dominican Republic	-	138,608	141,131	146,670
Ecuador	-	141,131	141,131	146,670
Grenada	-	-	-	5,178
Guyana	-	-	-	6,670
Haiti	-	-	54,884	57,039
Honduras	-	-	-	309
Jamaica	-	-	61,532	146,670
Nicaragua	-	-	-	44,625
Panama	-	-	-	36,160
Paraguay	-	-	-	135,219
Peru	-	214,389	321,463	334,081
Suriname	-	-	54,884	57,039
Trinidad and Tobago	-	-	-	6,297
United Kingdom	-	-	16,682	48,890
United States	-	-	-	28,005,608
Uruguay	-	-	-	211,856
Venezuela	-	-	-	327,863
TOTAL	<u>3,810,242</u>	<u>4,908,893</u>	<u>6,202,511</u>	<u>41,783,803</u>

The rate of collection of annual assessed contributions at 31 December 2000 was 51% of current assessments; this compares with a collection rate of 63% for each of the years 1998 and 1999. However, if the quota payment from a major contributor had been received in December 2000 rather than in early January 2001, the rate of collection would have increased to 66% of current assessments for 2000. The number of Member States with outstanding contributions has remained the same at 22 in December 1999 and 2000. As of 31 December 2000, 17 Members had paid their current year's contribution in full, 11 members had paid in part, and 11 had made no payments toward their 2000 contribution.

Each year, the delegates to the Directing Council or the Pan American Sanitary Conference review at length the financial circumstances of those Member States which are in arrears in their quota payments and which are subject to Article 6.B of the PAHO Constitution. As of 1 January 2001, there were two Member States subject to Article 6.B, compared to seven Member States as of 1 January 2000. Member States are urged to remit their quota payments on a timely basis so that the Organization may remain in a sound financial position.

An amount of \$7,050,000 per year was projected as miscellaneous income to supplement the 2000-2001 PAHO Regular budget. The actual amount realized for the year 2000 was \$8,245,619.

6. PAHO Regular Budget - Disbursements

Funds are allotted for a one-year period, except for those to cover staff salaries. Against these allotments, obligations have been incurred for the full 24 months involved (e.g. salaries); in other cases (e.g. consultants and short-term personnel services, travel, fellowships, contractual services, meetings and purchase of supplies and equipment) obligations have been incurred only to the extent commitments were known and had been established at 31 December 2000. Accordingly, the financial position as of 31 December 2000 does not represent a meaningful financial reflection of the rate of program implementation.

7. Centers

The financial statements relating to CAREC, CFNI, and INCAP are shown in Parts III, IV, and V, respectively, of the Interim Financial Report

Caribbean Epidemiology Center (CAREC)

Quota receipts for the current year amounted to \$412,440 or 24% of the 2000 assessments. Receipts of arrearages amounted to \$1,138,219, or 22% of the total quota receivables as of 31 December 1999.

The net deficit of income over expenditure for the interim financial period 2000 was \$386,778. This deficit increased the Working Capital Fund deficit from \$257,414 at the end of the 1998-1999 biennium to \$644,192 as of 31 December 2000.

Caribbean Food and Nutrition Institute (CFNI)

Quota receipts for the current year amounted to \$103,053 or 31% of the 2000 assessments. Receipts of arrearages amounted to \$167,875, or 14% of the total quota receivables as of 31 December 1999.

The net deficit of income over expenditure for the interim financial period 2000 was \$51,042. This deficit increased the Working Capital Fund deficit from \$391,718 at the end of the 1998-1999 biennium to \$442,760 as of 31 December 2000.

Institute of Nutrition of Central America and Panama (INCAP)

The Institute's financial performance improved during the interim financial period 2000 resulting in a Working Capital Fund level of \$1,068,881.

Quota receipts for the current year amounted to \$271,897, or 72% of the 2000 assessments. Receipts of arrearages amounted to \$162,389, or 37% of the total quota receivables as of 31 December 1999.

Table A

PAN AMERICAN HEALTH ORGANIZATION
TEN YEARS OF GROWTH
SUMMARY OF EXPENDITURE BY SOURCE OF FUNDS
(expressed in US dollars)

PAN AMERICAN HEALTH ORGANIZATION	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
PAHO - Regular Budget	76,260,912	59,982,067	92,588,474	76,175,201	83,498,732	67,002,283	91,116,493	69,589,827	95,807,416	73,757,377
Special Funds:										
Animal Health Research	-	-	1,569	4,072	499	1,271	13,181	-	-	-
Capital Equipment	-	-	-	-	86,537	-	47,080	229,587	46,053	539,323
Cholera	-	-	-	171,932	603,033	329,721	51,044	-	-	1,821
Health Promotion	108,108	113,331	349,091	282,911	153,917	146,659	25,310	-	-	-
Income from Services	-	-	-	-	-	-	-	2,606,640	2,479,476	4,909,133
Measles	-	-	-	-	534,954	101,855	224,355	275,929	50,721	6,442
Natural Disaster Relief	734,799	2,104,182	3,931,198	8,036,961	5,598,686	1,594,141	659,888	2,915,376	4,217,117	1,826,938
Preinvestment Fund in Environment and Health	-	-	-	19,156	134,492	223,289	57,965	7,937	7,402	7,671
Program Support Costs	3,312,191	3,825,308	1,728,721	4,992,173	7,443,726	7,015,216	130,587	6,340,345	4,283,965	6,415,778
Trust Funds	44,186,424	40,702,146	39,967,424	42,606,192	38,955,146	38,454,622	46,824,740	55,829,854	49,770,712	48,969,108
Non-Project Funds:										
Advances from Governments and Institutions for Procurement	4,313,210	4,174,786	4,270,242	6,670,393	6,616,001	8,659,003	3,313,124	10,380,800	19,911,267	9,944,090
Building Fund	852,127	842,823	774,444	1,406,357	940,982	932,619	818,069	848,714	805,590	3,722,034
Emergency Procurement Revolving Fund	36,985	-	-	-	-	-	125,000	-	-	-
Provision for Termination and Repatriation Entitlements	1,677,300	1,078,105	929,314	1,949,850	1,747,208	3,315,483	1,939,446	1,044,035	1,564,905	1,558,662
Revolving Fund for the Expanded Program on Immunization	10,476,086	16,952,881	16,544,071	13,465,784	15,543,396	13,673,578	26,238,199	65,425,186	120,397,126	83,925,328
Revolving Fund for the Procurement of Essential Drugs	248,668	320,359	357,946	-	-	-	-	-	-	-
Sale of Vaccine at PANAFITSA	1,289,733	1,391,549	1,417,168	1,775,501	1,225,771	1,586,477	422,024	101,856	13,821	5,690
Strategic Fund	-	-	-	-	-	-	-	-	-	2,619,858
Tax Equalization Fund	2,379,885	3,046,571	3,046,571	3,426,236	3,024,916	3,132,039	3,636,528	3,437,413	3,379,936	5,242,095
Subtotal PAHO	145,876,428	134,534,108	165,906,233	160,982,719	166,107,996	146,168,256	175,643,033	219,033,499	302,735,507	243,451,348
CAREC: Regular Budget	1,949,500	1,601,486	1,277,893	1,497,948	1,355,811	1,564,597	1,679,796	1,703,511	1,907,734	1,965,095
Trust and Special Funds	1,555,118	992,750	1,996,191	1,452,333	1,513,814	1,438,739	2,116,884	1,345,885	1,881,393	1,709,441
CFNI: Regular Budget	226,301	200,549	205,264	179,391	297,013	306,416	270,087	306,089	323,221	321,970
Trust and Special Funds	79,434	88,595	144,286	67,583	128,014	171,061	200,725	57,300	44,278	110,172
INCAP: Regular Budget	918,357	552,923	485,746	631,736	745,325	702,466	610,780	622,975	574,436	574,198
Trust and Special Funds	4,886,148	5,044,325	4,274,039	2,950,218	1,973,030	1,495,220	5,217,084	2,514,984	2,162,284	1,945,175
Subtotal Centers	9,614,858	8,480,628	8,383,419	6,779,209	6,013,007	5,678,499	10,095,356	6,550,744	6,893,346	6,626,051
WORLD HEALTH ORGANIZATION										
WHO - Regular Budget	39,422,844	30,608,373	33,839,305	30,836,020	47,478,078	29,034,231	48,780,592	33,025,020	47,933,478	31,992,360
Global Program on AIDS	9,459,068	9,445,038	7,863,065	6,967,614	7,160,203	1,128,653	77	-	-	-
United Nations Development Program	842,359	730,770	716,990	297,658	258,201	302,292	566,610	119,438	261,615	43,344
United Nations Fund for Population Activities	4,446,712	3,167,866	2,288,851	3,130,282	2,619,289	2,094,201	1,755,233	881,334	535,857	281,914
WHO-Other	5,929,233	6,179,705	6,980,071	7,287,891	6,379,148	5,089,892	5,726,163	6,094,397	9,498,360	5,764,074
Subtotal WHO	60,100,216	50,131,752	51,688,282	48,519,465	63,894,919	37,649,269	56,828,675	40,120,189	58,229,310	38,081,692
TOTAL, ALL FUNDS	215,591,502	193,146,488	225,977,934	216,281,393	236,015,922	189,496,024	242,567,064	265,704,432	367,858,163	288,159,091

1/ Table has been revised to include: Advances from Governments and Institutions for Procurement, Emergency Procurement Revolving Fund, Provision for Termination and Repatriation Entitlements and Tax Equalization Fund