Special arrangements for settlement of arrears

Report by the Secretariat

1. In accordance with the provisions of resolution WHA54.6, Member States that are in arrears to an extent which would invoke the provisions of Article 7 of the Constitution, or that experience difficulties in meeting their obligations in respect of assessed contributions due to the Organization, are invited to contact the Director-General to review the status of their accounts.

2. Such Members are further invited to submit proposals to the Director-General outlining payment plans for their arrears for consideration by the Administration, Budget and Finance Committee of the Executive Board, which in turn may make appropriate recommendations to the Health Assembly.

3. In accordance with the guidelines provided in resolution WHA54.6, such payment plans should include information concerning the total amount due, the period over which payment is proposed and the minimum yearly amount that the Member State is ready to pay. Proposals must be submitted by 31 March of a given year in order to be considered by the Health Assembly of that year.

4. In the case of a Member State subject to Article 7, if the payment plan is approved by the Health Assembly, the voting rights of the Member concerned are restored with immediate effect.

5. One such proposal has been received in 2003, from the Republic of Kazakhstan. The full text of the request from Kazakhstan is attached as an Annex.

6. The total amount owed by Kazakhstan as at 1 January 2003 was US$ 5,245,957. Kazakhstan has, as a gesture of its good intentions, paid US$ 630,704 in February 2003. The overall amount owed by Kazakhstan is thereby reduced to US$ 4,615,253.

7. The request acknowledges that Kazakhstan has significant outstanding financial obligations to WHO which it has been unable to meet because of economic difficulties. Kazakhstan proposes to pay the amount due over a period of 10 years, undertaking to make a minimum yearly payment of US$ 200,000. In return for these undertakings, Kazakhstan requests immediate restoration of its voting rights at the Health Assembly.
ACTION BY THE HEALTH ASSEMBLY

8. The Health Assembly is invited to consider the proposal of Kazakhstan for payment of its arrears, in the light of the recommendations of the Administration, Budget and Finance Committee of the Executive Board, contained in its third report.
Dear Mme. G.H. Brundtland,

Kazakhstan attaches great importance to the cooperation with World Health Organization serving as the authoritative international organization in the field of social, medical and humanitarian development.

Kazakhstan and WHO are united with common goals and aspirations. During the years of WHO’s activity in our country we have established fruitful relations, comprehensive and mutually beneficial cooperation.

A number of seminars and workshops in Kazakhstan conducted under the auspices of WHO allowed us not only to raise the level of our contacts but to define the long-term prospects of such interaction for the years to come.

Being a member of WHO Kazakhstan does have financial obligations. Due to some economic reasons Kazakhstan was unable to pay annually its fee and now is in arrears of the contribution payment.

Having paid 630 704 USD to the WHO budget this year Kazakhstan has reduced its arrears amount to 4 615 253 USD.

Taking into account the importance of restoring its voting right in the World Health Assembly’s session this year, starting from 2002 Kazakhstan has been negotiating with the WHO Secretariat for approving 10 years payment plan.

In this respect we kindly request the WHO Secretariat to consider our proposal and to take into consideration the following:

1. To take note that Kazakhstan has overall arrears amount 4 615 253 USD as of January 2003;

Mme. Gro Harlem Brundtland
Director-General
World Health Organization
Geneva
2. Kazakhstan will repay this amount over a period of 10 years;
3. The minimum amount which the Government of Kazakhstan undertakes to pay annually is 200,000 USD.

In return for above-mentioned undertakings, in case it conforms with the WHO Secretariat rules and regulations, we kindly request that our voting rights be restored with immediate effect.

We are looking forward to your positive consideration of this matter.

Please accept, Mme. Brundtland, the assurances of my highest consideration and respect.

Kassymzhomart TOKAЕV