



# WORLD HEALTH ORGANIZATION

FIFTY-SIXTH WORLD HEALTH ASSEMBLY  
Provisional agenda item 12.2

A56/7  
16 April 2003

## Miscellaneous income 2002-2003

### Report by the Secretariat

1. The Fifty-fourth World Health Assembly approved the use of up to US\$ 52 153 017 from the Miscellaneous Income<sup>1</sup> account to finance the regular budget for the financial period 2002-2003. This amount was made up of:

- US\$ 16 000 000, under resolution WHA54.20, to cover exchange rate hedging, financing of the Real Estate Fund, and the Financial Incentive Scheme;
- US\$ 36 153 017, under resolution WHA54.17, to provide relief to 82 Member States whose assessed contributions for the biennium 2002-2003 had increased compared with their contributions in the financial period 2000-2001.

2. The available amount of Miscellaneous Income was at that time estimated at some US\$ 35.0 million (see Annex), which would have resulted in a shortfall in financing the regular budget for 2002-2003 of slightly over US\$ 17.0 million.

3. In order to reduce the shortfall, the Director-General appealed to those Member States which would benefit from the use of Miscellaneous Income to complement the amounts payable as their assessed contributions for 2002-2003 under resolution WHA54.17 to forgo such relief. Eight Member States have generously done so, thereby reducing the total amount of Miscellaneous Income required by US\$ 5.5 million.

4. Two other elements led to a reduction of the estimated shortfall, namely a review of the estimated expenditure that may be incurred under resolution WHA54.20 which indicated that the total amount that may be required in 2002-2003 would be some US\$ 6.0 million lower than the US\$ 16.0 million initially envisaged; and an increase of US\$ 1.5 million in the estimate of Miscellaneous Income available.<sup>2</sup> The combination of the three elements led the Executive Board at its 111th session to note that the estimated shortfall had been reduced to US\$ 4.0 million.<sup>3</sup>

5. At its 111th session, the Executive Board also considered a proposal for an ad hoc adjustment to the assessment for Afghanistan and Argentina for 2003.<sup>4</sup> By decision EB111(3) the Executive Board

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<sup>1</sup> In accordance with the revised Financial Regulations the Miscellaneous Income account became operational on 1 January 2002.

<sup>2</sup> See document EB111/INF.DOC./4.

<sup>3</sup> See document EB111/2003/REC/2, summary record of the eighth meeting, section 3.

<sup>4</sup> See document EB111/15 Add.1.

recommended that the Health Assembly should approve the proposal and that the necessary financing should be provided from Miscellaneous Income. The amount concerned is US\$ 611 135.

6. The decision further recommended that the Democratic Republic of Timor-Leste, recently admitted as a Member of WHO, should be assessed for 2002-2003 at the minimum amount which, pro-rated from the date of Timor-Leste's membership, amounts to US\$ 5266. In accordance with the Financial Regulations, assessments of new Members are credited to Miscellaneous Income.

7. Since the 111th session of the Executive Board, two of the elements impacting on the level of the potential shortfall have been updated. First, the estimated expenditure that may be incurred under resolution WHA54.20, taking into consideration actual expenditure in 2002, may now be some US\$ 8.0 million lower than the US\$ 16.0 million initially envisaged.

8. Second, a review of the estimated Miscellaneous Income available for 2002-2003, reflecting actual income in 2002, has led to a revised figure of US\$ 39.0 million (see Annex), which is US\$ 4.0 million higher than the original estimate of US\$ 35.0 million.

9. In view of the present level of borrowing, the above estimate does not take account of any arrears of assessed contributions flowing into Miscellaneous Income during 2003. At 31 December 2002 the Working Capital Fund of US\$ 31.0 million was fully utilized and internal borrowing stood at US\$ 75.5 million, giving a total borrowing of US\$ 106.5 million. Payments of arrears of assessed contributions are credited first against any internal borrowing outstanding and then against any borrowing outstanding from the Working Capital Fund.

10. As a result of all the above factors, namely, the actual reduction of US\$ 5.5 million in the amount necessary to supplement assessed contributions for 2002-2003 authorized in resolution WHA54.17; the inclusion of US\$ 611 135 in the amount that would be necessary to finance ad hoc adjustments to the assessments of Afghanistan and Argentina for 2003; and the expected reduction of US\$ 8.0 million in the level of expenditure authorized under resolution WHA54.20, the total amount of Miscellaneous Income needed to finance the regular budget for 2002-2003 is now forecast as US\$ 39.3 million (see Annex). Consequently, in view of the increase to US\$ 39.0 million in the revised estimate of Miscellaneous Income available for 2002-2003, the estimated shortfall now stands at US\$ 0.3 million.

11. The Director-General will continue to keep under review the estimate of available Miscellaneous Income. In accordance with Financial Regulation 5.4, should there be a shortfall in Miscellaneous Income for 2002-2003, the Director-General "shall review implementation plans for the regular budget in order to make any adjustments that may be necessary".

## ANNEX

**ESTIMATED MISCELLANEOUS INCOME 2002-2003**

|   | <b>Revised estimate</b> | <b>Original estimate</b> |
|---|-------------------------|--------------------------|
|   | US\$ million            | US\$ million             |
| Balance of Casual Income as at 31 December 2001 transferred into Miscellaneous Income on 1 January 2002 | 22.0 <sup>a</sup>       | 12.0                     |
| Savings on unliquidated obligations at 31 December 2001 <sup>b</sup> available in 2002-2003             | 5.5                     | 10.0                     |
| Interest earnings in 2002-2003 <sup>c</sup>   | 11.0                    | 12.5                     |
| Sundry items, including contribution from Timor-Leste (paragraph 6)                                     | 0.5                     | 0.5                      |
| <b>Estimated total income available</b>   | <b>39.0</b>             | <b>35.0</b>              |

<sup>a</sup> This figure is now final.

<sup>b</sup> The amount of savings on unliquidated obligations has been reduced following implementation of the revised Financial Regulations and Financial Rules. It is expected that savings on unliquidated obligations will continue to be less than in previous bienniums.

<sup>c</sup> The amount estimated for interest earnings in 2002-2003 has been reduced in view of the significant decline in interest rates, principally those for United States dollars.

**ESTIMATED EXPENDITURES TO BE FINANCED  
FROM MISCELLANEOUS INCOME**

|  | <b>Revised estimate</b> | <b>Original estimate</b> |
|--|-------------------------|--------------------------|
|  | US\$ million            | US\$ million             |
| Resolution WHA54.20  | 8.0                     | 16.0                     |
| Resolution WHA54.17  | 30.7                    | 36.2                     |
| Recommendation to the Health Assembly contained in decision EB111(3) | 0.6                     | -                        |
| <b>Estimated total expenditure</b>                                   | <b>39.3</b>             | <b>52.2</b>              |

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