

Scale of assessments for 2014–2015

Foreign exchange risk management

Report of the Programme, Budget and Administration Committee of the Executive Board to the Sixty-sixth World Health Assembly

1. The eighteenth meeting of the Programme, Budget and Administration Committee was held in Geneva on 16 and 17 May 2013 under the chairmanship of Dr Jamal Thabet Nasher (Yemen).¹ The Committee adopted its agenda.²
2. The Secretariat introduced a proposal to assess, as from 2014, 50% of Member States' contributions in Swiss francs and 50% in United States dollars, noting that the relevant report³ and the draft resolution it contained were modified versions of those which had previously been discussed by the Executive Board at its 132nd session in January 2013.⁴ In that session, the Board had in particular noted that the proposal may present administrative difficulties for certain Member States, which could experience problems obtaining Swiss francs.
3. The Secretariat indicated that the proposal has therefore been modified so that the split currency assessment mechanism would apply only to Member States with assessed contributions above a total of US\$ 200 000 per annum, thus reducing to 65 the number of Member States concerned by the change. The remaining 129 Member States would continue to be assessed only in United States dollars, which would nevertheless ensure that 99% of the value of assessed contributions are subject to the split currency assessment mechanism. In this way, the Secretariat would continue to meet the objective of currency matching.
4. A Committee member observed that changing the currency of assessment in this way will help currency risk management through a better matching of the currencies of income and expenditure. It was noted that other United Nations agencies with assessed contributions have implemented split currency assessments to help manage this currency risk, and that this proposal is therefore consistent with split currency assessment practices elsewhere in the United Nations system. However, one member noted that in applying a minimum assessed contributions threshold to the split currency assessment mechanism this proposal would be inconsistent with the equivalent

¹ The list of participants is available in document EBPBAC18/DIV./1.

² Document EBPBAC18/1.

³ Document A66/32.

⁴ See documents EB132/28 Add.1 and EB132/2013/REC/2, summary record of the twelfth meeting, section 1.

mechanisms operating elsewhere in the United Nations system, which apply the split currency assessment mechanism consistently to all Member States.

RECOMMENDATION TO THE HEALTH ASSEMBLY

5. The Committee, on behalf of the Executive Board, recommended that the Sixty-sixth World Health Assembly adopt the draft resolution contained in document A66/32.

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