



TWENTY-THIRD WORLD HEALTH ASSEMBLY

**COMMITTEE B**

COMMITTEE B

PROVISIONAL SUMMARY RECORD OF THE FIRST MEETING

Palais des Nations, Geneva  
Thursday, 7 May 1970 at 2.30 p.m.

CHAIRMAN: Dr W. RAVENNA (Uruguay)



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1. OPENING REMARKS BY THE CHAIRMAN

The CHAIRMAN expressed his appreciation of the honour conferred on himself and his country by his election as Chairman of the Committee.

He drew attention to the terms of reference of the main committees of the Health Assembly, which were set out in resolution WHA23.1. In accordance with Rule 82 of the Rules of Procedure of the Health Assembly, the business of the Committee would be conducted as far as practicable following the rules relating to the conduct of business and voting in plenary meetings (Rules 49 to 81).

2. ELECTION OF VICE-CHAIRMAN AND RAPPORTEUR: Item 3.1 of the Agenda (Document A23/11)

The SECRETARY read out Rule 36 of the Rules of Procedure of the Health Assembly concerning the election of a vice-chairman and a rapporteur.

The CHAIRMAN said that the Committee on Nominations, in its third report (document A23/11), had proposed Dr C. K. Hasan (Pakistan) as Vice-Chairman.

Decision: Dr Hasan was elected Vice-Chairman by acclamation.

The CHAIRMAN said that the Committee on Nominations had proposed Dr B. Kourouma (Guinea) as Rapporteur.

Decision: Dr Kourouma was elected Rapporteur by acclamation.

3. ORGANIZATION OF WORK

The CHAIRMAN stated that Dr B. Juricic would be representing the Executive Board at the meetings of the Committee, in accordance with Rules 43 and 44 of the Rules of Procedure of the Health Assembly.

He proposed that the Committee should start its work with items 3.9, 3.10.1, 3.12, 3.11, 3.7 and 3.8, which had to be dealt with before Committee A could begin its discussion of the amount of the effective working budget for 1971 and its review of the programme and budget estimates for that year (items 2.2.1 and 2.2.2).

It was so agreed.

4. REVIEW OF THE FINANCIAL POSITION OF THE ORGANIZATION: Item 3.9 of the Agenda

The CHAIRMAN invited Mr Siegel to introduce the item.

Mr SIEGEL, Assistant Director-General, made a statement on the financial position of the Organization, on behalf of the Director-General.

The CHAIRMAN said that he assumed the Committee would wish to follow past practice, whereby the statement was circulated as a document and appended to the summary record of the meeting.

It was so agreed. (See Appendix.)

The CHAIRMAN said that discussion of the item would start at the following meeting.

The meeting rose at 3.20 p.m.

REVIEW OF THE FINANCIAL POSITION OF THE ORGANIZATION

Mr Chairman,

This Committee has a major responsibility, in its review of the financial position of the Organization and in making its recommendations on related items of the agenda which have been assigned to it, to take such decisions as will continue to assure the financial soundness of the Organization. Over the years, the recommendations of the Executive Board and the decisions of the Health Assembly establishing conservative financial policies and practices, as well as the reasonably prompt payment of their assessed contributions by the majority of the Members of the Organization, have built a solid financial basis for the programme of the Organization.

It is important to place in proper perspective the financial position of the Organization, bearing in mind that it is necessary to have sound financing in order to carry out the functions established in the Constitution of the World Health Organization. The programme of the Organization has become increasingly important to the health of people everywhere, and it must not be allowed to falter because of possible financial difficulties, which should be foreseen and forestalled. It is not possible to make long-term plans without absolute assurance that the Organization will be able to fulfil its commitments.

This Organization in its early years underwent the somewhat harrowing experience of financial weakness and instability brought about by circumstances generally external to its functions. The situation was serious enough that the External Auditor on a number of occasions found it necessary to call to the attention of the Health Assembly the precarious financial position in which the Organization found itself. Everything possible must be done to avoid such a situation in the future. The Organization has managed, slowly and laboriously, over a period of some twenty years, to develop a solid financial basis for its programmes. That basis must not be permitted to deteriorate.

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Once again, I can report that the financial position of the Organization continues to be sound, even though the collection of contributions as at 31 December 1969 was only 85.30 per cent. of the assessments on Members for the effective working budget for the year. This low rate of collections is the consequence of the fact that a large amount of the contribution of a major contributor remained unpaid at the end of the year. The corresponding percentages for 1967 and 1968 were 95.76 and 96.14 respectively. As at 30 April 1970, 26 Members were in arrears for 1969, 13 of these being wholly in arrears and 13 being partly in arrears. Twelve Members were also in arrears for part or all of their contributions for one or more years prior to 1969.

Two countries have, since 30 April, paid their arrears for 1969. Today, 24 Members were in arrears for 1969, 11 of these being wholly in arrears and 13 being partly in arrears. Payments on other arrears reduced to ten the number of Members in arrears for part or all of their contributions for one or more years prior to 1969.

Letters have been received from one government indicating that its arrears for 1969 would be liquidated this month and from another reporting that the payment for its 1968 arrears is on its way. Information received from two other governments has indicated that their arrears will be partly liquidated this week.

The financial soundness of the Organization is based on prompt payment of the assessments to finance the regular budget; to assure that soundness, all Members should do everything possible to pay their contributions - which are due and payable by the first day of the financial period to which they relate - in good time.

With regard to regular budget operations in 1969, \$ 61 686 546, or 99.30 per cent. of the effective working budget, was obligated. As only 85.30 per cent. of the contributions for 1969 was collected as of 31 December 1969, there was a cash deficit of \$ 8 146 513 at the end of the year, the largest cash deficit in the history of the Organization. The deficit had to be financed by withdrawal from the Working Capital Fund, which left in the Working Capital Fund on 1 January 1970 only \$ 3 486 458, an amount sufficient to finance the operations of the Organization for a period of some three weeks. The financial position reflected by the level of the Working Capital Fund at the beginning of the year could hardly be considered as satisfactory for an organization engaged in operations on a world-wide basis.

Fortunately, payments amounting to \$ 6 947 359 for arrears for 1969 and prior years, were received during the period 1 January to 30 April 1970, so that as at this latter date, 96.73 per cent. of the effective working budget assessments relating to 1969 had been collected. At 30 April 1970, the total arrears of contributions from Members assessed in respect of the effective working budget for all prior years was \$ 2 381 065. The corresponding figure at 30 April 1969 was \$ 1 476 570. Payments received since 1 May amount to \$ 322 790, so that arrears as at 7 May 1970 are reduced to \$ 2 058 275; 97.24 per cent. of the 1969 contributions have been collected as of today.

Total contributions for 1969 received between 1 January and 30 April 1970 amounted to \$ 6 752 096. The cash deficit for 1969 amounted to \$ 1 394 417 at the same date. Today, the cash deficit for 1969 is \$ 1 095 197.

In summary, however, the financial position of the Organization as of today can be considered as sound.

\* \* \*

Obligations in 1969 from sources of funds other than the regular budget available to the Organization were as follows:

from the Special Accounts of the Voluntary Fund for Health Promotion: about \$ 1.9 million;

approximately \$ 691 000 was disbursed for the activities in the field of health in the Democratic Republic of the Congo against reimbursement by the United Nations;

\$ 4 136 000 for other reimbursable and funds-in-trust activities;

some \$ 4.5 million for the Technical Assistance component of the United Nations Development Programme was expended, not including the subvention to the regular budget of \$ 1 268 624 towards administrative and operational services costs of that programme;

\$ 4 651 000 was expended for projects financed from the Special Fund component of the United Nations Development Programme; and

approximately \$ 113 000 was obligated from the Revolving Sales Fund.

In total, therefore, the World Health Organization in 1969 financed, from the various sources of funds directly under its administration, activities costing some \$ 77 million, not including the Headquarters Building Fund or the increase in the Revolving Fund for Teaching and Laboratory Equipment. It may be of interest to mention that administrative services

costs in that year were \$ 3.9 million, or 5.06 per cent. of the total funds directly administered by WHO. The Pan American Sanitary Bureau - Regional Office for the Americas - obligated some \$ 11.9 million from its regular PAHO budget and \$ 4.8 million from other funds available directly to it. In sum, therefore, the World Health Organization carried out activities financed from funds administered directly or indirectly by the Organization at a total cost of \$ 93.7 million.

The Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training was established by the Nineteenth World Health Assembly in 1966. As at 30 April 1970, 126 requests from 16 countries had been received involving a total amount of \$ 1 055 838, representing 6.06 times the level of the fund since its establishment. All requests have been for payment in currencies which can readily be used by the Organization, with the exception of five requests in the amount of \$ 60 800 in currencies which could not be used at the time the requests were made but have now been partly used. The available usable balance of the Fund, therefore, was \$ 390 000 as at 30 April 1970, of the established level for 1970 of \$ 400 000.

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This Twenty-third Health Assembly is confronted with an unusual number of problems of a financial nature. Not only is this Committee to review the Working Capital Fund, to deal with the proposed Real Estate Fund and to recommend the use of available Casual Income to help finance the programme and budget for 1971, but the Organization has recently been confronted with one additional financial requirement which it had not been possible to foresee. The requirement is to provide the funds to finance the award by the arbitration tribunal in settlement of the claim of the contractor against the Organization for the main work of the headquarters building. The Tribunal established in 1967 to arbitrate the matter rendered its judgement only last week, on 30 April. The amount of the award and the accrual of interest are known, but the fees of the WHO member of the Tribunal and the attorney who represented the Organization have not yet been presented; however, the global financial consequences of the arbitration are estimated to be US \$ 750 000.

Furthermore, there is another expected requirement which has to do with an expected increase in the salary scales for professional staff. I informed the Executive Board at its forty-fifth session that one of the uses for which the Working Capital Fund was expected to be needed in the next few years was to provide for payment of an increase in salary scales. At the time of the Board, I indicated that the date and amount of increases could not be forecast but suggested that such increases were likely to be effective not later than 1972. Since January, when the Board met, events have taken place which make it clear that some increase in professional salary scales should be planned for as early as 1971. The question will be studied by the International Civil Service Advisory Board next July; the recommendations of the Board will be considered and a decision taken by the General Assembly of the United Nations towards the end of this year. I would wish the Health Assembly to understand quite clearly that while we expect to have to provide for some salary increases within the coming year, at this time we know neither the amount nor the effective date of such increases.

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In its review of the financial situation of the Organization, it is necessary that the Committee also consider various other aspects of the administration and management of the Organization. In the past year experiments have been carried out whereby network analysis techniques (PERT and CPM) were applied to specific projects, including the electronic processing of data. For this purpose we have made use of a software package - the Project Control System - which permits the recomputation and production in a matter of minutes of more than ten management reports covering a thirty-six month period. Such analyses promise to be helpful in improving the planning, implementation and evaluation of the more complicated types of projects. As I mentioned in the report to the Committee on Administration, Finance and

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Legal Matters in 1968, the Organization embarked on a feasibility study for a management information system which could be used to facilitate the decision-making processes and improve efficiency of operations. The study is now in its second phase. A beginning has also been made in systematic studies of the cost-effectiveness of certain projects.

The Organization has continued to make use of its computer primarily for various programme operations. In 1969, the equipment was mainly used for research in epidemiology and communications science, health statistics, research co-ordination and administration and finance - the last-named function accounting for about 18 per cent. of the time used. Resulting from the utilization of the computer installed in 1966, a substantial increase in the volume of activity in the administration and finance area has been handled without any increase in the staff dealing with these functions to be charged to the Regular Budget of the Organization. The core storage capacity of the computer has been increased to 256k as from January 1970 and a direct access storage facility will replace the existing disc storage drives as from June of this year. The total use of the computer rose to 154 per cent. of the equivalent of one shift in 1969; the central processing unit was used about 12 hours a day and the total equipment, including peripheral installations, was in use 16 hours a day. 85 per cent. of the total hours was used by WHO and the remaining 15 per cent. is accounted for by outside users.

The Organization's use of microforms as a method for storage of information has increased considerably over the past year and from a beginning of use for archival material, microforms are now being used in such areas of current work as candidates' files and personnel records.

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The Organization continued to devote a considerable effort to staff training during the past year, including the provision of study leave, refresher training and in-service training for various types of staff. Ninety-seven staff participated in training courses for English-speaking secretaries at headquarters and a course was given in building management to improve the capabilities of staff involved in the maintenance of the headquarters building. The new language laboratory, to which I referred in my report last year, has been extensively used and 361 staff members, or nearly one-third of headquarters staff has undergone language training during the past 15 months. There has also been a considerable amount of language training in several of the regions.

During the past few years, comprehensive training courses for WHO staff in management and administrative matters have been conducted which have included such subjects as management theory, network analysis, systems analysis and design, quantitative analysis (or operational research), electronic data processing and planning-programming-budgeting systems (PPBS). In addition, at headquarters, and in the African Regional Office, there were management and supervision courses and a training course for Administrative Officers was conducted at headquarters last year. Training of the staff in the Data Processing Unit continued during the year in order to keep them up-to-date with the latest developments in computer technology. Beginning in 1965, the year before the computer was installed, programme and administrative staff have been sent to courses designed to help them understand how the computer can contribute to the solution of problems encountered in their work. This practice was continued during 1969.

Increased attention has been devoted during the past year or so to the problem of manpower development. It is essential, in order to ensure competent staff for the Organization in the future, that manpower needs be planned for and that staff development be undertaken to be sure that those needs can be met. Increasing attention will need to be paid to these problems if the Organization is to continue to fulfil its responsibilities effectively.

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The increase in activities related to inter-organizational co-ordination, to which I referred in the report last year, has continued. The Joint Inspection Unit, which was established in 1968, provided a number of reports of interest in the work of WHO. Six reports of the Unit, together with the Director-General's comments, were placed before the forty-fifth session of the Executive Board; at least two more will be considered by the Board at its forty-sixth session.

As I reported last year, the United Nations Advisory Committee on Administrative and Budgetary Questions, in accordance with a recommendation of the ad hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, and in response to the invitation of the Director-General, visited the headquarters of the Organization in May 1969, to study the administrative and management procedures concerning the programme and budget of the Organization. The report of the Advisory Committee has not yet been received, although earlier this year the Committee transmitted to the Director-General a draft on which it invited his comments as to factual accuracy. It is expected that the report as finally approved by the Committee will be before the General Assembly of the United Nations at its session in the autumn of this year. The Board will then be able to consider the report and the General Assembly's recommendations at its first meeting in 1971 and the World Health Assembly in May of the same year.

We continue to deal with the recommendations in the Second Report of the ad hoc Committee to examine the finances of the United Nations and the specialized agencies, which was first before this Committee at the Twentieth World Health Assembly in 1967. The Executive Board and the Health Assembly have now considered and made their decisions on all the recommendations of the ad hoc Committee, except the recommendation concerning the use of casual income, which this Health Assembly will be dealing with in its decisions on agenda items 3.10.1 and 3.11, and those few recommendations still involving considerations of a fairly complex nature which will require inter-agency consultation and a considerable amount of time to be completed. During the past year the Administrative Committee on Co-ordination through its Consultative Committee on Administrative Questions, the inter-secretariat body responsible for studying administrative, budgetary and financial matters of concern to the organizations in the United Nations system, has been studying recommendations relating to a uniform budget presentation and standardization of nomenclature of financial and budgetary terms. Progress is being made in our attempts to reach agreement on these matters.

The amount of staff time required to be devoted to co-ordination on administrative, financial and budgetary questions has increased sharply since the Health Assembly first considered the Second Report of the ad hoc Committee - that staff time is, of course, not available for the normal business of the Organization. Sometimes it appears that we may have become involved in some co-ordination for its own sake rather than for the sake of efficiency, economy and improved services to governments. Recent experience may have demonstrated that co-ordination can sometimes be achieved only at a relatively high cost.

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This year's review of the financial position of the Organization and its administrative and managerial performance takes place at a time of particular significance. We are on the eve of a new decade and your considerations and decisions may bear particular consequences on the contribution which the Organization is expected to make to the improvement of the lives of mankind during the 1970's.

As we enter into a new decade, concern about the nature and effectiveness of international co-operation has become the central issue of the world community. There is a growing will to improve and extend international co-operation and recognition that the development of the developing countries is a matter of prime concern to the entire world.

The analyses of the past and probing of the future are proceeding on a scale and in a way without precedent. By 1975 it is expected that the gross national product of the developed world will reach the astronomical figure of 2 300 000 million dollars per year. The population of the world, if it continues to increase at the present rate of 1.9 per cent. per year, will increase from 3 483 million in 1968 to 4 457 million in 1980. Profound technological changes are to be expected in industry and agriculture, accompanied by rapid evolution of managerial and administrative methods applicable to all sectors of life.

Against this background the whole of the United Nations system is at present deeply involved in considering a strategy for development during the 1970's. Simultaneously, the role which the system should play in the process is discussed and the capacity of the system to fulfil future responsibilities is scrutinized. It is important to note the general consensus that the process of development cannot be limited to economic growth. The ultimate aim is to bring about a steady and widespread improvement in the well-being of the masses and the enhancement of the human person.

Nearly twenty years ago, the Executive Board asked the Director-General and the Regional Committees, in planning and co-ordinating health programmes to be guided by considerations which are still valid today. Those considerations are: the responsibility of WHO to act as the directing and co-ordinating authority on international health work; the inseparability of social, economic and health factors; the major purpose for which aid is provided; and the kind of assistance needed and the rate at which it can be absorbed in orderly development.

The developments in the United Nations system of organizations add new dimensions to the future of the World Health Organization. We would fail in our task if, considering the future role of the Organization, we forget to foresee and provide for the evolution of its managerial and administrative services and its financial resources required to provide adequate support to the Organization's activities; in planning for the future we must bear clearly in mind the experiences of our past. - for as the philosopher Santyana has reminded us, "He who does not remember the past is condemned to repeat it".