

Miscellaneous Income 2006–2007 and financing gap for strategic objectives 12 and 13

1. Miscellaneous Income earned in 2006–2007 was US\$ 53 million, because of exceptionally high interest earnings and foreign exchange gains for the regular budget. In addition, there was a continuation of the recent trend towards improved collection of long-outstanding unpaid assessed contributions. As a result of the exceptional earnings in 2006–2007, a surplus of US\$ 14 million remained in the Miscellaneous Income account at 31 December 2007 (see attached table for details).
2. At the start of a biennium it is difficult to predict precisely the level of Miscellaneous Income owing to uncertainties surrounding many of its components.
3. In the Programme budget 2008–2009, US\$ 30 million Miscellaneous Income was appropriated to finance the regular budget. Our expectation is that the required amount of earnings for the biennium 2008–2009 will be realized, with a small surplus.
4. There is a serious shortfall identified in the financing of strategic objectives 12 and 13, which include administration, management, governing bodies, and direction at country and regional offices and at headquarters. The shortfall is estimated at about US\$ 82 million.¹
5. Several measures are being taken to rectify this shortfall in the biennium 2008–2009, including cost reduction and identification of new funding sources. A longer-term, sustainable solution must be identified as part of the planning process for the biennium 2010–2011.
6. As one of the measures for the period 2008–2009, it is now proposed to use an additional amount of US\$ 15 million from the surplus in the Miscellaneous Income account. This is *not* an additional budgetary provision; rather, it is a means of reducing the financing gap in order to meet the budgeted expenditure, noted by the Health Assembly in the appropriation resolution for the financial period 2008–2009.²

¹ Approved total strategic objective 12 being US\$ 214 million, for strategic objective 13 US\$ 543 million; total income expected for both strategic objectives is US\$ 675 million, therefore combined estimated shortfall US\$ 82 million.

² Resolution WHA60.12.

ACTION BY THE HEALTH ASSEMBLY

7. The Health Assembly is invited to consider the following draft resolution:

The Sixty-first World Health Assembly,

Recalling the appropriation resolution for the financial period 2008–2009 (resolution WHA60.12);

Aware of the forecast financing gap in respect of meeting the approved total effective budget for appropriation sections 12 and 13 of, respectively, US\$ 214 million and US\$ 543 million;

Considering the exceptional surplus in Miscellaneous Income realized in 2006–2007,

1. RESOLVES to appropriate an additional amount of US\$ 15 million from Miscellaneous Income in order to finance appropriation sections 12 and 13 of the Programme budget 2008–2009;
2. REQUESTS the Director-General to report to the Sixty-second World Health Assembly on the status of the Miscellaneous Income account.

TABLE

Miscellaneous Income and expenditure 2006–2007
and forecasts for the biennium 2008–2009

	US\$ million	US\$ million
Balance at 1 January 2006		2.4
Income in biennium 2006–2007		
Prior period assessed contributions	11.1	
Interest	25.7	
Exchange gain	5.3	
Savings on prior unliquidated obligations	6.9	
Other	4.3	
Subtotal		<u>53.3</u>
Expenditure in biennium 2006–2007		
<i>Resolution WHA58.4</i>		
Financing regular budget	22.2	
Adjustment mechanism	8.7	
Financing incentive scheme	4.0	
<i>Resolution WHA60.8</i>		
Global management system	7.0	
Subtotal		<u>(41.9)</u>
Balance at 31 December 2007 – as per audited accounts		<u>13.8</u>
Income projected for 2008–2009		33.0
Expenditure in biennium 2008–2009		
<i>Resolution WHA60.12</i>		
Financing regular budget		<u>(30.0)</u>
Expected surplus at 31 December 2008		<u>16.8</u>
Proposed additional appropriation for the period 2008–2009		<u><u>15.0</u></u>

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