



WORLD HEALTH ORGANIZATION

EXECUTIVE BOARD
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Special arrangements for settlement of arrears

Report by the Secretariat

1. It was suggested at the Fifty-third World Health Assembly that the Executive Board should propose, for consideration by the Health Assembly, a standard procedure for handling requests from Member States for special arrangements for the settlement of arrears in the payment of assessed contributions.¹ This was considered necessary so that all Member States which are in arrears and subject to Article 7 and which would like to take advantage of such arrangements may benefit from full and timely consideration of their request by the Administration, Budget and Finance Committee on behalf of the Executive Board and Health Assembly.
2. Member States' contributions are due and payable on 1 January of the year for which they are due. Article 7 of the Constitution states that "If a Member fails to meet its financial obligations to the Organization ... the Health Assembly may ... suspend the voting privileges to which a Member is entitled."
3. In accordance with Article 7 and resolutions WHA8.13 and WHA41.7, Member States that are in arrears for more than two years at the time of the Health Assembly are subject to a resolution of the Health Assembly to the effect that their voting privileges will be suspended as from the opening of the next Health Assembly unless the arrears have been reduced to a level below the amount that would justify invoking Article 7, i.e. less than two years' arrears.
4. A number of requests have been made in recent years by Member States to reschedule the payment of their arrears as part of an arrangement to have their voting rights restored; these requests have been accepted by the Health Assembly. This has several benefits. Member States can honour their obligations and retain their ability to participate fully in the Health Assembly by exercising their voting rights. The collection of outstanding contributions ensures the financial health of WHO. If assessed contributions are not paid in full and on time, implementation of the regular budget is jeopardized.
5. In order that the Health Assembly may take informed decisions in a timely manner, Member States should address requests in writing to the Director-General, to be received no later than 31 March so that the Health Assembly may consider such requests at its next session.
6. Requests should include the following information: (i) the total amount due, including the current year's assessment; (ii) the period over which payment is proposed; (iii) the amount of payment that will be made each year, and (iv) an indication of whether the Member State expects to request

¹ Document A53/2000/REC/2, summary record of the fifth meeting of Committee B, section 5.

approval from the Director-General to make the payment in local currency, in accordance with the Financial Regulations and Financial Rules.

7. The proposed payment period should be realistic and achievable, enabling the Member State to overcome any temporary cashflow difficulties that may have prevented it from meeting the normal due dates for payment of assessed contributions.

8. The Director-General will review such requests with the Member State concerned in order to ensure that the proposals submitted to the Health Assembly are complete. This review will include due consideration of the possibility that requests for payment in local currency may also be made, and that the Director-General's decision on this matter may have a bearing on the proposal for consideration by the Health Assembly.

9. Proposals will subsequently be submitted to the Administrative, Budget and Finance Committee for consideration and recommendation at its session immediately before the Health Assembly. The Committee will make appropriate recommendations on behalf of the Executive Board to the Health Assembly.

10. Any Member State that is experiencing difficulties in meeting its obligations to the Organization, even if it is not yet subject to the provisions of Article 7, is encouraged to contact the Director-General in order to review the status of its account. It may then take appropriate action in order to avoid becoming subject to Article 7.

ACTION BY THE EXECUTIVE BOARD

11. Having heard the advice of the Administrative, Budget and Finance Committee on the procedure in respect of requests for special arrangements for settlement of arrears, the Executive Board may wish to formulate an appropriate resolution to the Health Assembly.

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